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BUDGET ESTIMATES

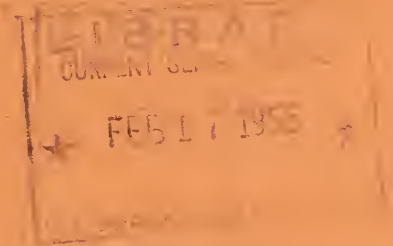
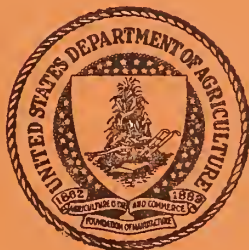
FOR THE

UNITED STATES

DEPARTMENT OF AGRICULTURE

FOR THE FISCAL YEAR ENDING

JUNE 30, 1956



A SEPARATE FROM THE BUDGET OF
THE UNITED STATES GOVERNMENT

1956

BUDGET ESTIMATES
FOR THE
UNITED STATES
DEPARTMENT OF AGRICULTURE
FOR THE FISCAL YEAR ENDING
JUNE 30, 1956

A Separate from the Budget of the United States Government
1956



UNITED STATES
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INTRODUCTION TO PART I

Part I of the budget (pp. A1 to A14) contains seven summary tables on Federal funds and on the public debt. Each of these tables is designed to bring together in one or two pages some overall aspect of the Federal budget.

TYPES OF FEDERAL FUNDS

The Federal (Government-owned) funds are of four types as follows:

The *general* fund is credited with receipts which are not earmarked by law for a specific purpose, and is charged with expenditures that are payable from appropriations (except appropriations of earmarked receipts) and those payable from borrowing. Both in number of items and in amounts, most of the Government's business is transacted through the general fund.

Special funds are those which are established to account for receipts that are earmarked by law for a specific purpose. They exclude the funds which carry on a cycle of operations for which there is continuing authority to use the receipts (as described in the next paragraph). Some special funds are subject to annual appropriation by Congress. Others are automatically available under the laws which created the funds.

Revolving funds are those which finance a cycle of operations, in which the expenditures generate receipts which are available for continuing use. They are divided into two subcategories—those with receipts primarily from outside the Government are called *public enterprise* funds, and those with receipts primarily from inside the Government are called *intragovernmental* funds. The former include nearly all of the Government corporations, the postal fund, and various unincorporated enterprises. The latter include various funds for stocking of supplies, for printing operations, and for the performance of services to meet the Government's own needs.

Management funds (including *consolidated working* funds) are those which are created to permit the pooling of advance payments from two or more appropriations to carry out certain activities.

BUDGET RECEIPTS AND EXPENDITURES

Basis of stating budget receipts.—Table 1 includes a summary of budget receipts. Such receipts include all money paid into the Treasury to the credit of the general fund and of special funds. Budget receipts never include money obtained from borrowing. Nor do budget receipts include receipts of revolving and management funds, since these receipts are deducted from expenditures. In those cases where the law provides an indefinite appropriation to a trust fund in an amount equal to certain tax receipts (such as for the old-age and survivors insurance trust fund and the railroad retirement account), the amount thereof is shown as a deduction from general fund receipts and excluded from general fund expenditures. Refunds of receipts are also deducted in arriving at budget receipts.

Basis of stating budget expenditures.—Tables 1, 5, and 7 include information on budget expenditures. Such expenditures cover the general fund, the special funds, and the revolving and management funds. Net budget expenditures are on a *checks-issued* basis. This means

that expenditures are reported for the fiscal year in which the checks are issued, or (where no checks are required) the year in which payment is made in cash. Interest on the public debt, including coupon interest and the increase in the redemption value of savings bonds, is included in the year in which it becomes payable, even though the coupons or bonds may not be presented for redemption in the year.

The expenditures of the general fund and the special funds are generally stated on a *gross* basis; that is, receipts are not deducted from expenditures (except for inter-agency reimbursements and some incidental reimbursements from outside the Government). In the case of intragovernmental revolving and management funds, expenditures are stated on a net basis; that is, their receipts (most of which come from within the Government and are therefore shown as an expenditure of the paying agency) have been deducted from expenditures of the receiving agency and only the resulting figure is shown as its expenditure.

In the case of public enterprise funds, expenditures are reported on both a gross and a net basis. The gross expenditures show the total sums expended, and a deduction in each of the tables indicates their receipts, other than borrowing. (Like budget receipts, public enterprise fund receipts never include money obtained from borrowing.) The gross figures used here for the public enterprise funds are derived from the business-type budget statements of part II, which show expenditures and receipts on an accrual basis with a single adjustment (on either the expenditure or receipt side but not both) for the conversion from accrual to a checks-issued basis. Therefore, the gross figures used herein for such funds are not strictly on a checks-issued basis, although the net result is on such a basis.

Retirement of Government debt, both direct debt and Government corporation debt, is always excluded from budget expenditure figures. Similarly, the par value of investments in United States Government securities (which occur sometimes in the case of Government corporations) are excluded from the expenditure figures.

Eliminations from both receipts and expenditures.—Certain payments from one fund to another are eliminated from budget receipts and expenditures. This is done in order to avoid inflating both sides of the budget. The payments to the general fund of earnings and dividends on capital of revolving funds, and the return of such capital to the general fund are the items which have been so excluded.

BUDGET SURPLUS, DEFICIT, AND PUBLIC DEBT

Budget surplus and deficit.—The budget surplus or deficit, shown in table 1, represents the difference between the *budget receipts* and *net budget expenditures* of a given year. Cash balances, appropriation balances, and surpluses and deficits of previous years are not a part of the calculation.

The public debt.—Table 3 gives details regarding the effect of each year's operations upon the public debt. The budget surplus or deficit is not the only factor which causes a change in the public debt. The amount necessary to borrow or possibly to repay is also influenced by:

Changes in cash balances, the result of trust fund transactions, the use of Government corporation borrowing directly from the public as a means of financing budget expenditures of the corporations (and the repayments of such borrowing as an application of public enterprise fund receipts), and the change in the amount of checks outstanding and other items in process of clearance through the accounts.

BUDGET AUTHORIZATIONS

Table 2 summarizes the budget authorizations available and their disposition. Table 4 gives a breakdown by agency of the new authorizations becoming available each year, and table 6 gives supplementary information on the balances at start and end of the year.

The obligation basis.—Expenditures can be made only pursuant to appropriations or other authorizations granted by Congress. Government agencies are generally permitted by law to incur obligations requiring the future payment of money only when they have an appropriation or other authorization available for the purpose. Therefore, authorizations are enacted to cover *obligations* expected to be incurred within the fiscal year rather than to cover only the *expenditures* which are expected to be made during that year in payment of obligations.

Distinction between permanent and current authorizations.—Tables 2 and 4 distinguish *permanent* authorizations and *current* authorizations. The permanent items are those under which additional sums become available from time to time under action previously taken by the Congress; no further action is required each year. Most permanent authorizations are in force until repealed; a few are in effect for only a few years as specified in the law. The current authorizations are those enacted by Congress in or immediately preceding each fiscal year.

Balances.—Many budget authorizations are available for obligation for only 1 year, but some are available for longer periods of time. Even those which expire for obligation at the end of 1 year remain available for making expenditures in payment of such obligations for an additional 2 years, and further expenditures can be made later in payment of such obligations from the *certified claims* account of the Treasury. In the case of salaries and wages, travel, and like items, the lag between obligations and expenditures is usually no more than a few weeks or a few months. In the case of construction, major procurement, certain research contracts and similar items, the lag between obligations and expenditures may be as much as 1 or 2 years, and sometimes is even longer. For some revolving funds and certain other purposes, Congress has granted obligational authority well in advance of specific requirements, as a means of providing for contingencies which may arise. As a result of the foregoing factors, substantial balances of budget authorizations are carried forward from one year to the next. Such balances are not in the form of cash, but are bookkeeping authority for the incurring of obligations or the making of expenditures, for which cash must be provided through channels of financial management at the time the expenditures later occur.

Relating expenditures to authorizations.—Tables 2 and 5 summarize the relationship between budget authorizations and budget expenditures. Because old and new authorizations are by law commingled in some of the accounts, no attempt is made in the summary figures to separate actual spending in 1954 between the use of new authorizations and the use of balances. However, the budget presents such a breakdown on an estimated basis

for 1955 and 1956. In the case of revolving and management funds, it assumes that the portion of their expenditures chargeable to budget authorizations is equal to the portion of the authorizations credited to the revolving fund during the year. The remainder of the revolving and management fund expenditures (or negative expenditures) are here classified as being charges or credits to balances of such funds.

TYPES OF NEW OBLIGATIONAL AUTHORITY

Appropriations are authorizations to make expenditures from the general fund of the Treasury or from the various special funds. In some cases the authority to incur obligations has previously been granted in the form of contract authorizations; in such cases, the appropriation to permit the payment of such obligations is said to be to *liquidate contract authorizations*. In all other cases appropriations confer authority both to incur new obligations and to pay for them.

Contract authorizations are authorizations to incur obligations prior to the enactment of an appropriation. A contract authorization does not in itself permit the spending of money; hence it must be followed by an appropriation to permit payment of the contracts and other obligations thus incurred.

Authorizations to expend from debt receipts are authorizations to make expenditures from borrowed money. Such authorizations may take these forms: (a) Authorizations for the Treasury to make public debt receipts available to a given agency or enterprise, often in exchange for notes of the enterprise; (b) authorizations for a Government-owned corporation to borrow directly from the public; and (c) cancellation of notes which have been issued by a Government enterprise and are held by the Treasury, where the cancellation has the effect of permitting further expenditures to be made (through restoring previously used authority to borrow from the Treasury).

Reappropriations and reauthorizations are actions to continue available part or all of the unused balances of prior appropriations or authorizations which would otherwise expire. When the authorizations thus continued had been previously granted for current operations of the year, the continuation of their availability into a new year constitutes new obligational authority.

Total new obligational authority shown in table 2 is the sum of the various types of authorizations named above, less the portion of appropriations which is for liquidation of prior contract authorizations. This total represents the new authority becoming available in any given year for the purposes of making commitments.

PROPOSED LEGISLATION AND OTHER ITEMS FOR LATER TRANSMISSION

Tables 1, 2, and 4 identify by separate columns the estimates of receipts, authorizations, and expenditures under legislative proposals recommended by the President, and other supplemental authorizations, and expenditures therefrom, which it is expected will be transmitted later. Table 5 identifies such items in a separate stub section. Such estimates include, in addition to the various supplemental estimates which are identified in part II, allowances for items which cannot be foreseen now but which will be transmitted later when definite amounts can be determined and the needs can be more specifically identified. Congressional action upon these allowances will be requested later, not at a single time nor as a single lump-sum item, but in the form of a number of specific appropriations for individual items.

TABLE 1
SUMMARY OF BUDGET RECEIPTS AND EXPENDITURES

[Based on existing and proposed legislation. In millions]

Description	1954 actual	1955 estimate			1956 estimate		
		Under exist- ing laws and authoriza- tions already enacted	Proposed for later trans- mission	Total	Under exist- ing laws and authoriza- tions enacted or recom- mended	Proposed for later trans- mission	Total
BUDGET RECEIPTS (see special analysis C):							
Individual income taxes.....	\$32, 383	\$30, 700	-----	\$30, 700	\$32, 500	-----	\$32, 500
Corporation income and excess profits taxes.....	21, 523	18, 466	-----	18, 466	15, 984	\$1, 050	17, 034
Excise taxes.....	10, 014	8, 883	\$190	9, 073	8, 328	1, 022	9, 350
Employment taxes.....	5, 425	6, 080	-----	6, 080	7, 095	-----	7, 095
Estate and gift taxes.....	945	930	-----	930	970	-----	970
Customs.....	562	570	-----	570	570	-----	570
Miscellaneous receipts.....	¹ 2, 320	2, 302	-----	2, 302	2, 486	-----	2, 486
Subtotal.....	73, 173	67, 931	190	68, 121	67, 933	2, 072	70, 005
Deduct—							
Transfer to Federal old-age and survivors insurance trust fund.....	4, 537	5, 190	-----	5, 190	6, 175	-----	6, 175
Transfer to railroad retiremend trust fund..	603	600	-----	600	625	-----	625
Refunds of receipts.....	3, 377	3, 331	-----	3, 331	3, 396	— 191	3, 205
Total budget receipts.....	64, 655	58, 810	190	59, 000	57, 737	2, 263	60, 000
BUDGET EXPENDITURES (see special analysis B):							
Major national security.....	46, 523	40, 644	-----	40, 644	39, 068	1, 390	40, 458
International affairs and finance.....	2, 166	1, 798	1	1, 800	1, 504	336	1, 841
Veterans' services and benefits.....	4, 289	4, 119	349	4, 468	4, 684	-----	4, 684
Welfare, health, and education.....	2, 248	2, 057	259	2, 316	2, 217	95	2, 312
Agriculture and agricultural resources.....	7, 497	8, 934	-----	8, 934	7, 647	-----	7, 647
Natural resources.....	1, 391	1, 356	2	1, 358	1, 180	29	1, 209
Commerce and manpower.....	7, 355	7, 608	192	7, 800	7, 037	^d 130	6, 908
General government.....	1, 212	1, 201	24	1, 225	1, 350	219	1, 569
Interest.....	6, 470	6, 558	-----	6, 558	6, 378	-----	6, 378
Reserves for proposed legislation and contin- gencies:							
Net cost of classified pay increase.....						125	125
Other.....			100	100		200	200
Total budget expenditures.....	79, 151	74, 276	927	75, 203	71, 067	2, 265	73, 332
Deduct applicable receipts (see table 7) ²	11, 379	11, 699	-----	11, 699	10, 923	-----	10, 923
Net budget expenditures.....	67, 772	62, 577	927	63, 504	60, 144	2, 265	62, 408
Budget deficit.....	3, 117	-----	-----	4, 504	-----	-----	2, 408

⁴ Deduct. include proposed postal rate increase of \$400,000,000.

¹ Includes \$9 million of internal revenue not specifically classified.

² Receipts of certain Government corporations, the postal service, and other revolving funds the receipts of which come primarily from outside the Government. These funds are listed in the respective chapters of part II as "Public enterprise funds."

TABLE 2
SUMMARY OF BUDGET AUTHORIZATIONS AND THEIR DISPOSITION

[Based on existing and proposed legislation. In millions]

Description	1954 enacted	1955			1956		
		Enacted	Proposed for later transmission	Total	Recommended in this document	Proposed for later transmission	Total
BUDGET AUTHORIZATIONS AVAILABLE							
New obligational authority (see table 4):							
Current authorizations:							
Appropriations-----	\$51, 834	\$44, 761	\$1, 069	\$45, 830	\$45, 430	\$5, 513	\$50, 943
Portion of appropriations to liquidate contract authorizations (—)-----	—781	—632	—105	—737	—892		—892
Authorizations to expend from debt receipts-----	3, 331	2, 497		2, 497	377	135	512
Contract authorizations-----	35	25		25	1		1
Reappropriations-----	412	1, 221		1, 221	171		171
Permanent authorizations:							
Appropriations-----	6, 810	6, 942		6, 942	6, 774		6, 774
Contract authorizations-----	845	908	100	1, 008	908	200	1, 108
Authorizations to expend from debt receipts-----	280	522		522	26		26
Total new obligational authority-----	62, 765	56, 244	1, 064	57, 308	52, 794	5, 848	58, 642
Balances brought forward at start of year¹ (see table 6):							
Appropriations-----	78, 410	67, 961		67, 961	53, 803	142	53, 944
Authorizations to expend from debt receipts-----	20, 201	21, 117		21, 117	20, 751		20, 751
Contract authorizations-----	2, 466	2, 477		2, 477	2, 613	100	2, 713
Revolving and management funds (including U. S. Government securities held)-----	1, 745	2, 808		2, 808	4, 649		4, 649
Other amounts available:							
Adjustment of balances upward for claims, etc. (net)-----	215	45	105	150	*502	752	250
Authorizations to expend from appropriations of subsequent year-----	3, 254	387		387	387		387
Authorizations made available in prior year (—)-----	—275	—3, 254		—3, 254	—387		—387
Total budget authorizations available-----	168, 781	147, 785	1, 169	148, 954	134, 108	6, 842	140, 950
EXPENDITURES AND BALANCES							
Expenditures in the year (net) (see table 5):							
Out of new obligational authority-----	67, 772	33, 015	822	33, 837	35, 878	2, 045	37, 923
Out of appropriations to liquidate contract authorizations-----		622	105	727	892		892
Out of authorizations to expend from subsequent year appropriations-----		147		147	147		147
Out of balances of prior expenditure authorizations-----		31, 721		31, 721	24, 800	220	25, 020
Out of balances of revolving and management funds-----		*2, 928		*2, 928	*1, 573		*1, 573
Total expenditures in the year (net)-----	67, 772	62, 577	927	63, 504	60, 144	2, 265	62, 408
Balances of authorizations and funds ceasing to be available unless reappropriated or reauthorized for the next year-----							
	6, 646	3, 391		3, 391	1, 061		1, 061
Balances carried forward at end of year¹ (see table 6):							
Appropriations-----	67, 961	53, 803	142	53, 944	45, 855	3, 751	49, 606
Authorizations to expend from debt receipts-----	21, 117	20, 751		20, 751	18, 775	526	19, 301
Contract authorizations-----	2, 477	2, 613	100	2, 713	2, 564	300	2, 864
Revolving and management funds (including U. S. Government securities held)-----	2, 808	4, 649		4, 649	5, 710		5, 710
Total expenditures and balances (net)-----	168, 781	147, 785	1, 169	148, 954	134, 108	6, 842	140, 950

* Deduct.

¹ Balances forwarded are divided as follows: Obligated—July 1, 1953, \$69,701; 1954, \$52,346; 1955, \$48,336; 1956, \$50,337; and unobligated—July 1, 1953, \$33,120; 1954, \$42,016; 1955, \$33,725; and 1956, \$27,145.

TABLE 3
EFFECT OF FINANCIAL OPERATIONS ON THE PUBLIC DEBT

Based on existing and proposed legislation

[In millions]

Description	1954 actual	1955 estimate	1956 estimate
Effect of operations on increasing (+) or decreasing (-) public debt held by the public:			
Budget surplus (-) or deficit (+) (from table 1)	+ \$3, 117	+ \$4, 504	+ \$2, 408
Excess of trust receipts over expenditures (-) (from table 8) ..	- 1, 951	- 1, 400	- 2, 439
Issue (-) or redemption (+) of Government corporation debt to the public (from special analysis J)	+ 14	- 754	- 827
Change in cash balance, increase (+) or decrease (-)	+ 2, 353	- 1, 711	-----
Change in clearing account for outstanding checks, etc., increase (-) or decrease (+)	+ 46	+ 64	- 67
Total, increase (+) or decrease (-) in public debt held by the public	+ 3, 579	+ 703	- 925
Effect of borrowing from (+) or repayment to (-) Government trust funds and investment accounts:			
Trust funds (from special analysis J)	+ 1, 686	+ 2, 192	+ 2, 553
Revolving funds (from special analysis J)	- 77	+ 145	+ 72
Total, increase (+) or decrease (-) in public debt held by Government trust funds and investment accounts	+ 1, 609	+ 2, 337	+ 2, 625
Net increase (+) or decrease (-) in public debt	+ 5, 189	+ 3, 040	+ 1, 700
Public debt at beginning of year	266, 071	271, 260	274, 300
Net increase (+) or decrease (-) in public debt	+ 5, 189	+ 3, 040	+ 1, 700
Public debt at end of year	271, 260	¹274, 300	¹276, 000

NOTE.—Change in cash balance reflected above is computed as follows:

	1954	1955	1956
Beginning of year:			
Treasury	\$4, 670	\$6, 766	\$5, 000
Held outside the Treasury	588	845	900
End of year:			
Treasury	6, 766	5, 000	5, 000
Held outside the Treasury	845	900	900
Increase (+) or decrease (-)	+ 2, 353	- 1, 711	-----

¹ Because of wide swings in receipts and expenditures and the heavy concentration of taxes in the latter half of the fiscal year, there will be periods during the year when the public debt will be considerably greater than this amount.

TABLE 4
SUMMARY OF BUDGET AUTHORIZATIONS
BY TYPE OF AUTHORIZATIONS AND AGENCY

Based on existing and proposed legislation

Description	1954 enacted	1955			1956		
		Enacted	Proposed for later trans- mission	Total	Recommended in this docu- ment	Proposed for later trans- mission	Total
CURRENT AUTHORIZATIONS							
Appropriations:							
Legislative branch.....	\$70,921,086	\$76,835,549		\$76,835,549	\$82,595,879		\$82,595,879
The Judiciary.....	28,924,020	30,053,325	\$548,300	30,601,625	33,181,615		33,181,615
Executive Office of the President.....	9,368,400	8,454,700		8,454,700	8,652,700		8,652,700
Funds appropriated to the President.....	4,729,256,827	2,794,949,816	1,600,000	2,796,549,816	27,000,000	\$3,530,000,000	3,557,000,000
Independent offices.....	5,868,713,960	5,519,364,213	364,220,000	5,883,584,213	6,013,310,500	283,500,000	6,296,810,500
General Services Administration.....	162,967,020	535,393,900		535,393,900	722,930,000		722,930,000
Housing and Home Finance Agency.....	73,571,550	119,268,500	5,000,000	124,268,500	174,100,000		174,100,000
Department of Agriculture.....	875,080,255	734,563,150		734,563,150	947,417,574		947,417,574
Department of Commerce.....	1,013,823,268	971,797,746	184,830,000	1,156,627,746	1,277,555,000		1,277,555,000
Department of Defense—Military Functions.....	34,374,453,366	29,683,073,486		29,683,073,486	31,436,000,000	1,483,000,000	32,919,000,000
Department of Defense—Civil Functions.....	503,738,600	466,156,300	300,000	466,456,300	534,233,000	17,000,000	551,233,000
Department of Health, Education, and Welfare.....	1,928,375,228	1,694,974,761	327,200,000	2,022,174,761	1,950,648,861	71,750,000	2,022,398,861
Department of the Interior.....	443,426,096	435,936,299	9,475,000	445,411,299	427,637,656	17,000,000	444,637,656
Department of Justice.....	180,440,000	181,364,500	4,938,000	186,302,500	201,485,000		201,485,000
Department of Labor.....	351,762,457	436,405,000	20,000,000	456,405,000	514,816,000	4,650,000	519,466,000
Post Office Department.....	420,000,000	312,052,971		312,052,971	295,000,000	d 270,000,000	25,000,000
Department of State.....	134,789,387	128,180,000	850,000	129,030,000	147,267,197	1,409,000	148,676,197
Treasury Department.....	648,258,348	602,213,548		602,213,548	604,398,000		604,398,000
District of Columbia (general fund).....	16,000,000	29,847,000		29,847,000	31,592,700		31,592,700
Reserves for proposed legislation and contingencies:							
Net cost of classified pay increase.....						125,000,000	125,000,000
Other.....			150,000,000	150,000,000		250,000,000	250,000,000
Total appropriations (excluding refunds of receipts).....	51,833,869,868	44,760,884,764	1,068,961,300	45,829,846,064	45,429,821,682	5,513,309,000	50,943,130,682
Deduct portion of appropriations for liquidation of prior contract authorizations:							
Legislative branch.....	1,000,000	7,500,000		7,500,000	10,300,000		10,300,000
Independent offices.....	25,385,664						
General Services Administration.....		4,500,000		4,500,000	37,100,000		37,100,000
Housing and Home Finance Agency.....	20,000,000	39,000,000		39,000,000	60,000,000		60,000,000
Department of Commerce.....	630,661,925	527,115,000	105,000,000	632,115,000	727,500,000		727,500,000
Department of Defense—Military Functions.....	80,454,000	34,000,000		34,000,000	28,000,000		28,000,000
Department of Health, Education, and Welfare.....	22,200,000	1,150,000		1,150,000	2,008,600		2,008,600
Department of the Interior.....	1,500,000	18,333,528		18,333,528	27,000,000		27,000,000
Total appropriations for liquidation of prior contract authorizations.....	781,201,589	631,598,528	105,000,000	736,598,528	891,908,600		891,908,600
Total appropriations which provide new obligational authority.....	51,052,668,279	44,129,286,236	963,961,300	45,093,247,536	44,537,913,082	5,513,309,000	50,051,222,082
Authorizations to expend from public debt receipts:							
Independent offices.....	201,651,249	633,961,603		633,961,603		100,000,000	100,000,000
Department of Agriculture.....	3,129,272,834	1,863,000,000		1,863,000,000	377,000,000		377,000,000
Treasury Department.....						35,000,000	35,000,000
Total authorizations to expend from public debt receipts.....	3,330,924,083	2,496,961,603		2,496,961,603	377,000,000	135,000,000	512,000,000
Contract authorizations:							
Department of Commerce.....	4,500,000	25,000,000		25,000,000			
Department of Health, Education, and Welfare.....	421,200				1,038,325		1,038,325
Department of the Interior.....	30,000,000						
Total contract authorizations.....	34,921,200	25,000,000		25,000,000	1,038,325		1,038,325

^d Deduct, includes proposed postal rate increase of \$400,000,000.

TABLE 4--Continued
SUMMARY OF BUDGET AUTHORIZATIONS--Continued
BY TYPE OF AUTHORIZATIONS AND AGENCY--Continued

Description	1954 enacted	1955			1956		
		Enacted	Proposed for later trans- mission	Total	Recommended in this docu- ment	Proposed for later trans- mission	Total
CURRENT AUTHORIZATIONS—Continued							
Reappropriations:							
Legislative branch.....	\$14, 133, 254	\$70, 000		\$70, 000			
The Judiciary.....		5, 806		5, 806			
Executive Office of the President.....	26, 986	57, 563		57, 563			
Funds appropriated to the President.....	438, 540	600, 000		600, 000			
Independent offices.....	77, 148, 373	77, 131, 803		77, 131, 803	\$170, 655, 000		\$170, 655, 000
Department of Agriculture.....	2, 650, 090	1, 212, 252		1, 212, 252			
Department of Commerce.....	810, 000						
Department of Defense—Military Functions.....	288, 622, 229	1, 126, 426, 989		1, 126, 426, 989			
Department of Defense—Civil Functions.....	22, 638, 209	14, 726, 970		14, 726, 970			
Department of the Interior.....		75, 000		75, 000			
Department of State.....	5, 059, 900	236, 872		236, 872			
Total reappropriations.....	411, 527, 581	1, 220, 543, 255		1, 220, 543, 255	170, 655, 000		170, 655, 000
Total new obligational authority under current authori- zations.....	54, 830, 041, 143	47, 871, 791, 094	\$963, 961, 300	48, 835, 752, 394	45, 086, 606, 407	\$5, 648, 309, 000	50, 734, 915, 407
PERMANENT AUTHORIZATIONS							
Appropriations:							
Independent offices.....	37, 960, 354	3, 146, 737		3, 146, 737	3, 154, 396		3, 154, 396
General Services Administration.....		3, 630, 000		3, 630, 000	6, 000, 000		6, 000, 000
Department of Agriculture.....	205, 663, 914	202, 799, 996		202, 799, 996	191, 162, 300		191, 162, 300
Department of Defense—Military Functions.....	7, 867, 633	7, 670, 000		7, 670, 000	7, 960, 000		7, 960, 000
Department of Defense—Civil Functions.....	2, 359, 224	1, 312, 500		1, 312, 500	1, 413, 000		1, 413, 000
Department of Health, Education, and Welfare.....	9, 688, 331	9, 688, 331		9, 688, 331	9, 688, 331		9, 688, 331
Department of the Interior.....	56, 833, 970	74, 622, 954		74, 622, 954	72, 081, 839		72, 081, 839
Department of State.....	4, 164, 924	1, 066, 449		1, 066, 449	919, 699		919, 699
Treasury Department.....	6, 485, 668, 342	6, 638, 133, 289		6, 638, 133, 289	6, 481, 136, 781		6, 481, 136, 781
Total appropriations (excluding refunds of receipts).....	6, 810, 206, 692	6, 942, 070, 256		6, 942, 070, 256	6, 773, 516, 346		6, 773, 516, 346
Authorizations to expend from debt receipts:							
Authorization to expend from public debt receipts: Housing and Home Finance Agency.....	250, 000, 000	505, 001, 141		505, 001, 141			
Authorizations to expend from corporate debt receipts:							
Independent offices.....		17, 482, 000		17, 482, 000	26, 112, 000		26, 112, 000
Housing and Home Finance Agency.....	29, 533, 700						
Total authorizations to expend from debt receipts.....	279, 533, 700	522, 483, 141		522, 483, 141	26, 112, 000		26, 112, 000
Contract authorizations:							
Housing and Home Finance Agency.....	100, 000, 000		100, 000, 000	100, 000, 000		200, 000, 000	200, 000, 000
Department of Agriculture.....	70, 500, 000						
Department of Commerce.....	607, 500, 000	907, 500, 000		907, 500, 000	907, 500, 000		907, 500, 000
Department of the Interior.....	67, 000, 000						
Total contract authorizations.....	845, 000, 000	907, 500, 000	100, 000, 000	1, 007, 500, 000	907, 500, 000	200, 000, 000	1, 107, 500, 000
Total new obligational authority under permanent au- thorizations.....	7, 934, 740, 392	8, 372, 053, 397	100, 000, 000	8, 472, 053, 397	7, 707, 128, 346	200, 000, 000	7, 907, 128, 346
Grand total new obligational authority.....	62, 764, 781, 535	56, 243, 844, 491	1, 063, 961, 300	57, 307, 805, 791	52, 793, 734, 753	5, 848, 309, 000	58, 642, 043, 753

TABLE 5
SUMMARY OF BUDGET EXPENDITURES—IN RELATION TO AUTHORIZATIONS
BY AGENCY

Based on existing and proposed legislation

Description	1954 actual	1955 estimate					Total
		Expenditures from new authorizations			Other expenditures		
		From new obligational authority		From appropriations to liquidate	From balances of prior authorizations	From receipts and balances of revolving and management funds	
		Current	Permanent				
FROM AUTHORIZATIONS ALREADY ENACTED AND RECOMMENDED IN THIS DOCUMENT							
Legislative branch.....	\$58,918,612	\$59,887,944		\$2,193,343	\$10,750,978	* \$1,522,382	\$71,309,883
The Judiciary.....	28,356,326	29,034,931			1,288,412		30,323,343
Executive Office of the President.....	9,492,742	8,106,263			639,102	36,284	8,781,649
Funds appropriated to the President.....	5,477,122,740	586,687,216			3,999,782,501	482,710,143	5,069,179,860
Independent offices.....	9,950,288,256	1,899,316,127	\$2,991,600		4,808,471,109	2,585,531,003	9,296,309,839
General Services Administration.....	808,228,980	142,264,700	3,120,000	3,700,000	1,016,127,596	8,289,349	1,173,501,645
Housing and Home Finance Agency.....	1,440,178,631	77,457,945		39,000,000	231,558,186	1,313,801,080	1,661,817,211
Department of Agriculture.....	5,963,486,471	744,240,260	21,583,462		2,637,064,478	3,961,859,885	7,364,748,085
Department of Commerce.....	1,083,467,296	331,474,153		527,000,000	123,041,119	13,371,956	994,887,228
Department of Defense—Military Functions.....	40,336,252,986	18,858,034,780	5,362,289	34,000,000	18,044,172,342	* 2,566,138,711	34,375,430,700
Department of Defense—Civil Functions.....	707,809,290	318,220,415	2,500		204,180,470	101,414,510	623,817,895
Department of Health, Education, and Welfare.....	1,982,518,859	1 1,509,735,336	9,688,331	838,634	261,631,732	2,202,593	1,784,096,626
Department of the Interior.....	570,551,588	315,694,457	55,891,197	15,290,328	178,956,414	26,342,971	592,175,367
Department of Justice.....	182,643,091	165,361,423			17,411,675	* 1,647,266	181,125,832
Department of Labor.....	356,527,622	2 375,760,461			34,282,067	2,522,575	412,565,103
Post Office Department.....	2,686,297,013	312,052,971			* 95,012,806	2,523,565,643	2,740,605,808
Department of State.....	156,465,826	107,747,800	430,000		29,339,529	120,000	137,637,329
Treasury Department.....	7,339,117,951	558,708,888	6,637,658,154		217,226,269	318,813,406	7,732,406,717
District of Columbia (general fund).....	13,150,000	25,230,000					25,230,000
Total budget expenditures.....	79,150,874,280	26,425,016,070	6,736,727,533	622,022,305	31,720,911,173	8,771,273,039	74,275,950,120
Deduct applicable receipts †.....	11,378,521,038					11,699,358,497	11,699,358,497
Net budget expenditures from authorizations enacted or recommended.....	67,772,353,246	26,425,016,070	6,736,727,533	622,022,305	31,720,911,173	* 2,928,085,458	62,576,591,623
FROM AUTHORIZATIONS PROPOSED FOR LATER TRANSMISSION							
The Judiciary.....		215,400					215,400
Funds appropriated to the President.....		1,000,000					1,000,000
Independent offices.....		351,140,000					351,140,000
Housing and Home Finance Agency.....		5,000,000					5,000,000
Department of Commerce.....		79,690,000		105,000,000			184,690,000
Department of Defense—Military Functions.....							
Department of Defense—Civil Functions.....		275,000					275,000
Department of Health, Education, and Welfare.....		258,000,000					258,000,000
Department of the Interior.....		2,320,000					2,320,000
Department of Justice.....		4,253,463					4,253,463
Department of Labor.....		20,000,000					20,000,000
Post Office Department.....							
Department of State.....		280,000					280,000
Treasury Department.....							
District of Columbia (general fund).....							
Reserves for proposed legislation and contingencies:							
Net cost of classified pay increase.....							
Other.....		100,000,000					100,000,000
Net budget expenditures from authorizations proposed for later transmission.....		822,173,863		105,000,000			927,173,863
Net budget expenditures.....	67,772,353,246	27,247,189,933	6,736,727,533	727,022,305	31,720,911,173	* 2,928,085,458	63,503,765,486

* Deduct, excess of repayments and collections over expenditures.

† Includes authorization to expend from subsequent year appropriation in the amount of \$110,000,000.

‡ Includes authorization to expend from subsequent year appropriation in the amount of \$36,800,000.

§ Receipts of certain Government corporations, the postal service, and other revolving funds the receipts of which come primarily from outside the Government. These funds are listed in the respective chapters of part II as "Public enterprise funds."

TABLE 5

SUMMARY OF BUDGET EXPENDITURES—IN RELATION TO AUTHORIZATIONS

BY AGENCY

Based on existing and proposed legislation

1956 estimate						Description
Expenditures from new authorizations			Other expenditures		Total	
From new obligational authority		From appropriations to liquidate	From balances of prior authorizations	From receipts and balances of revolving and management funds		
Current	Permanent					
FROM AUTHORIZATIONS ALREADY ENACTED AND RECOMMENDED IN THIS DOCUMENT						
\$62,042,321		\$10,300,000	\$12,175,278	• \$1,794,238	\$82,723,361	Legislative branch
31,692,115			1,019,300		32,711,415	The Judiciary
8,134,414			534,036		8,668,450	Executive Office of the President
19,275,000			4,264,887,384	458,904,899	4,743,067,283	Funds appropriated to the President
5,605,903,588	\$2,998,738		1,200,932,053	2,709,329,268	9,519,163,647	Independent offices
330,189,000	5,170,000	37,100,000	592,481,026	3,848,838	968,788,864	General Services Administration
104,879,100		60,000,000	• 149,242,500	1,248,674,371	1,264,310,971	Housing and Home Finance Agency
942,996,133	20,316,800		1,574,314,254	3,475,045,894	6,012,673,081	Department of Agriculture
403,947,130		727,500,000	86,676,107	4,465,015	1,222,588,252	Department of Commerce
17,794,771,000	5,492,289	28,000,000	• 16,399,736,711	• 1,227,568,500	33,000,431,500	Department of Defense—Military Functions
371,195,089	8,500		153,046,748	93,729,520	617,979,857	Department of Defense—Civil Functions
• 1,764,194,136	9,688,331	2,008,600	182,079,649	2,220,650	1,960,191,366	Department of Health, Education, ¹ and Welfare
308,906,233	54,060,276	27,000,000	149,965,185	32,116,865	572,048,559	Department of the Interior
187,000,458			16,124,774	• 1,981,600	201,143,632	Department of Justice
• 502,254,953			7,670,317	1,712,058	511,637,328	Department of Labor
295,000,000			• 19,925,773	2,536,204,318	2,811,278,545	Post Office Department
118,760,400	430,000		28,423,873	265,000	147,879,273	Department of State
561,314,511	6,480,661,646		299,372,909	14,740,803	7,356,089,869	Treasury Department
33,529,700					33,529,700	District of Columbia (general fund)
29,445,985,281	6,578,826,580	891,908,600	24,800,271,331	9,349,913,161	71,066,904,953	Total budget expenditures
				10,923,396,811	10,923,396,811	Deduct applicable receipts ⁴
29,445,985,281	6,578,826,580	891,908,600	24,800,271,331	• 1,573,483,650	60,143,508,142	Net budget expenditures from authorizations enacted or recommended.
FROM AUTHORIZATIONS PROPOSED FOR LATER TRANSMISSION						
			332,900		332,900	The Judiciary
600,000,000			12,600,000		612,600,000	Funds appropriated to the President
334,450,000			93,580,000		428,030,000	Independent offices
						Housing and Home Finance Agency
			140,000		140,000	Department of Commerce
1,000,000,000					1,000,000,000	Department of Defense—Military Functions
13,750,000			25,000		13,775,000	Department of Defense—Civil Functions
36,675,000			58,200,000		94,875,000	Department of Health, Education, and Welfare
15,000,000			3,505,000		18,505,000	Department of the Interior
			684,537		684,537	Department of Justice
3,750,000					3,750,000	Department of Labor
• 270,000,000					• 270,000,000	Post Office Department
1,409,000			570,000		1,979,000	Department of State
35,000,000					35,000,000	Treasury Department
						District of Columbia (general fund)
125,000,000					125,000,000	Reserves for proposed legislation and contingencies:
150,000,000			50,000,000		200,000,000	Net cost of classified pay increase
						Other
2,045,034,000			219,637,437		2,264,671,437	Net budget expenditures from authorizations proposed for later transmission.
31,491,019,281	6,578,826,580	891,908,600	25,019,908,768	• 1,573,483,650	62,408,179,579	Net budget expenditures

[•] Deduct, excess of repayments and collections over expenditures.⁴ Deduct, includes proposed postal rate increase of \$400,000,000.¹ Includes authorization to expend from subsequent year appropriation in the amount of \$110,000,000.² Includes authorization to expend from subsequent year appropriation in the amount of \$36,800,000.³ Reflects unallocated reduction in estimates in the amount of \$1,750,000,000.⁴ Receipts of certain Government corporations, the postal service, and other revolving funds the receipts of which come primarily from outside the Government. These funds are listed in the respective chapters of part II as "Public enterprise funds."

TABLE 6
BALANCES AVAILABLE AT START OF YEAR
BY TYPE AND AGENCY
Based on existing and proposed legislation

Description	1954 actual		1955 actual		1956 estimate		1957 estimate	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
BALANCES OF PRIOR AUTHORIZATIONS FOR EXPENDITURE								
Appropriations enacted or recommended:								
Legislative branch.....	\$14,825,898	\$772,378	\$17,509,139	\$1,598,175	\$20,661,561		\$16,239,841	
The Judiciary.....	1,231,566	8,786	1,288,412		1,019,300		1,489,500	
Executive Office of the President.....	735,037	204,092	722,159	167,762	616,819	\$40,000	641,069	
Funds appropriated to the President.....	7,910,358,366	2,151,260,618	6,941,755,827	2,497,566,144	4,935,869,420	80,221,440	2,212,468,069	\$10,617,507
Independent offices.....	3,342,292,913	906,729,251	2,587,595,501	3,664,269,364	1,645,498,680	666,598,919	1,291,913,687	175,454,529
General Services Administration.....	1,425,198,183	458,900,162	866,055,316	361,594,336	550,629,244	50,111,775	364,138,461	592,532
Housing and Home Finance Agency.....	646,822	15,250,508	358,545	9,000,060	2,369,100	9,500,000	4,660,000	13,385,000
Department of Agriculture.....	132,734,154	355,075,799	215,496,684	282,623,425	189,635,967	363,590,434	206,132,348	272,994,689
Department of Commerce.....	159,258,754	24,600,796	133,012,764	23,828,313	130,832,788	14,714,478	178,514,300	26,364,729
Department of Defense—Military Functions.....	50,703,951,144	9,372,259,389	33,537,330,893	15,549,008,857	32,461,508,063	11,678,952,960	33,634,236,250	6,476,801,107
Department of Defense—Civil Functions.....	240,994,392	138,664,046	157,026,512	95,356,055	158,417,640	37,468,261	195,506,829	11,404,354
Department of Health, Education, and Welfare.....	436,518,003	65,644,860	431,647,818	124,798,578	425,783,325	41,637,490	413,731,621	56,474,608
Department of the Interior.....	194,393,018	114,313,789	159,758,029	96,812,827	163,245,777	35,225,115	141,361,652	15,316,487
Department of Justice.....	23,992,765	847,645	17,918,490	595,962	17,005,854	100,000	15,160,622	305,000
Department of Labor.....	2,396,029	8,046,900	7,203,742	37,241,160	12,007,374		16,898,104	
Department of State.....	63,815,455	34,465,562	28,298,330	28,464,790	30,166,634	9,842,398	35,949,060	3,674,749
Treasury Department.....	87,688,135	9,041,796	61,187,650	8,164,171	48,633,421	542,456	43,361,000	534,592
District of Columbia (general fund).....		12,680,000		15,530,000		20,147,000		18,210,000
Total balances of appropriations enacted or recommended.....	64,741,030,634	13,668,766,377	45,164,165,811	22,796,619,919	40,793,900,967	13,008,692,726	38,772,402,413	7,082,129,883
Appropriations for later transmission:								
The Judiciary.....					332,900			
Funds appropriated to the President.....					600,000		2,930,000,000	
Independent offices.....					13,080,000		172,550,000	10,000,000
Department of Commerce.....					140,000			
Department of Defense—Military Functions.....							483,000,000	
Department of Defense—Civil Functions.....					25,000		3,250,000	
Department of Health, Education, and Welfare.....					69,200,000		46,075,000	
Department of the Interior.....					6,555,000	600,000	5,650,000	
Department of Justice.....					684,537			
Department of Labor.....							900,000	
Department of State.....					570,000			
Total balances of appropriations for later transmission.....					91,187,437	600,000	3,641,425,000	10,000,000
Grand total, balances of appropriations.....	64,741,030,634	13,668,766,377	45,164,165,811	22,796,619,919	40,885,088,404	13,009,292,726	42,413,827,413	7,092,129,883
Authorizations to expend from debt receipts:								
Funds appropriated to the President.....	1,154,047,420	747,251,060	758,466,442	769,426,742	733,512,770	514,353,063	490,090,670	66,046,063
Independent offices.....	920,342,631	5,924,366,724	507,150,431	5,604,947,600	567,854,932	6,030,898,268	749,851,251	5,877,123,949
Housing and Home Finance Agency.....	1,373,829,676	3,410,667,637	2,068,059,819	3,526,300,970	1,509,699,905	4,175,594,095	1,428,872,005	3,953,127,995
Department of Agriculture.....	1,144,317,071	2,586,893,303	2,946,581,401	1,998,162,382	2,316,630,848	1,968,112,935	1,658,727,287	1,617,516,496
Department of Defense—Civil Functions.....		150,000,000		150,000,000		150,000,000		150,000,000
Treasury Department.....	4,552,212	2,784,289,288	4,497,252	2,783,363,778	5,791,500	2,778,996,000	8,384,000	2,775,866,500
Total balances of authorizations to expend from debt receipts.....	4,597,089,010	15,603,468,012	6,284,755,345	14,832,201,472	5,133,489,955	15,617,954,361	4,335,925,213	14,439,681,003
Authorizations to expend from debt receipts for later transmission:								
Funds appropriated to the President.....							525,972,000	
Grand total balances of authorizations to expend from debt receipts.....	4,597,089,010	15,603,468,012	6,284,755,345	14,832,201,472	5,133,489,955	15,617,954,361	4,861,897,213	14,439,681,003

TABLE 6—Continued
BALANCES AVAILABLE AT START OF YEAR—Continued
BY TYPE AND AGENCY—Continued
Based on existing and proposed legislation—Continued

Description	1954 actual		1955 actual		1956 estimate		1957 estimate	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
BALANCES OF CONTRACT AUTHORIZATIONS								
Legislative branch.....		\$25,246,000		\$24,246,000	\$16,575,199	\$170,801	\$6,317,199	\$128,801
Independent offices.....	\$21,185,664	4,200,000						
General Services Administration.....	85,000,000	19,500,000	\$55,000,000	19,500,000	41,400,000	1,000,000	4,800,000	500,000
Housing and Home Finance Agency.....	70,392,143	321,607,857	84,084,509	387,915,491	127,084,509	305,915,491	230,084,509	142,915,491
Department of Agriculture.....				70,500,000		48,000,000		24,000,000
Department of Commerce.....	923,874,303	774,195,571	878,681,343	743,639,828	1,004,397,176	910,223,536	1,147,947,176	914,073,536
Department of Defense—Military Functions.....	136,177,388	54,276,612	63,450,024	46,549,976	53,445,770	22,554,230	32,327,770	7,100,230
Department of Health, Education, and Welfare.....	22,200,000	6,475,591		6,096,791	861,500	2,573,700	971,095	1,314,630
Department of the Interior.....	1,500,000			97,000,000	10,666,472	68,000,000	16,566,472	35,100,000
Contract authorizations for later transmission:								
Housing and Home Finance Agency.....					100,000,000		300,000,000	
Total balances of contract authorizations	1,260,329,498	1,205,501,631	1,081,215,876	1,395,448,086	1,354,430,626	1,358,437,758	1,739,014,221	1,125,132,688
BALANCES IN REVOLVING AND MANAGEMENT FUNDS								
(Including U. S. Government securities held)								
Legislative branch.....	131,292	17,450	* 12,656,284	25,730,628	* 12,681,796	24,377,161	* 13,677,601	25,167,204
Executive Office of the President.....	5,874	49,728	9,404					
Funds appropriated to the President.....	77,005,106	* 17,224,832	42,722,161	* 20,159,331	32,954,358	* 7,426,614	35,458,747	* 8,414,249
Independent offices.....	451,952,229	96,738,064	301,054,303	411,664,174	216,954,861	180,405,398	103,409,134	209,390,846
General Services Administration.....	13,972,529	4,474,290	29,128,639	* 1,939,912	28,043,728	1,909,659	29,806,434	* 1,169,434
Housing and Home Finance Agency.....	171,821,416	608,706,781	170,995,401	567,232,466	143,037,111	579,682,920	150,967,175	640,902,343
Department of Agriculture.....	6,617,314	55,435,914	* 13,816,912	102,088,025	5,549,745	64,879,333	4,788,160	107,486,083
Department of Commerce.....	* 5,771,412	21,188,066	* 2,978,708	50,262,608	* 5,184,144	58,100,884	* 6,497,919	61,527,247
Department of Defense—Military Functions.....	* 1,848,389,283	1,802,574,902	* 946,270,617	1,620,712,227	212,232,163	2,651,677,310	632,836,732	3,323,072,741
Department of Defense—Civil Functions.....	19,498,816	32,540,577	29,712,779	50,821,955	23,657,977	38,112,928	24,032,320	32,979,765
Department of Health, Education, and Welfare.....	1,480,514	592,767	915,278	1,532,248	263,781	1,692,719	* 73,989	1,731,841
Department of the Interior.....	* 10,155,187	25,663,401	* 9,531,872	27,421,186	256,044	21,249,611	* 4,609,212	18,537,369
Department of Justice.....	2,771,977	1,100,869	1,070,493	3,387,278	1,489,570	2,515,467	1,489,570	2,497,067
Department of Labor.....	1,433,860	2,048,509	653,854	2,456,138	544,346	1,141,071	452,746	304,163
Post Office Department.....	210,877,237	4,887,594	214,897,049	150,678,553	260,702,942	54,258,718	261,407,942	34,332,945
Department of State.....	336,427	281,591	291,482	296,309	278,731	213,657		213,657
Treasury Department.....	8,515,630	3,476,401	9,736,120	* 468,983	1,937,800	66,480,565	1,984,536	39,673,939
Total balances in revolving and management funds.....	* 897,895,661	2,642,552,072	* 184,067,430	2,991,715,569	910,037,217	3,739,270,787	1,221,774,775	4,488,233,527
Reserves for proposed legislation and contingencies.....					50,000,000		100,000,000	
Total balances available at start of year.....	69,700,553,481	33,120,288,092	52,346,069,602	42,015,985,046	48,333,046,202	33,724,955,632	50,336,513,622	27,145,177,101

* Deduct, excess of receivables over obligations.

* Deduct, excess of obligations over receivables and cash.

TABLE 7

APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS AND THEIR EFFECT ON BUDGET EXPENDITURES

BY FUNCTION AND AGENCY

Based on existing and proposed legislation

	1954			1955			1956		
	Gross budget expenditures	Applicable receipts ¹	Net budget expenditures	Gross budget expenditures	Applicable receipts ¹	Net budget expenditures	Gross budget expenditures	Applicable receipts ¹	Net budget expenditures
BY FUNCTION									
Major national security.....	\$46,522,859,086	\$479,753	\$46,522,379,333	\$40,644,486,666	\$430,700	\$40,644,055,966	\$40,458,451,500	\$431,500	\$40,458,020,000
International affairs and finance.....	2,165,679,517	445,710,043	1,719,969,474	1,799,647,119	379,452,885	1,420,194,234	1,840,520,435	508,519,150	1,332,001,285
Veterans' services and benefits.....	4,289,429,593	33,660,646	4,255,768,947	4,468,033,463	37,314,268	4,430,719,195	4,684,279,848	44,243,903	4,640,035,945
Welfare, health, and education.....	2,248,034,587	194,452	2,247,840,135	2,316,200,529	195,200	2,316,005,329	2,311,986,010	195,200	2,311,790,810
Agriculture and agricultural resources.....	7,496,508,618	4,939,512,378	2,556,996,240	8,933,728,763	5,803,743,967	3,129,984,796	7,647,470,409	5,388,124,120	2,259,346,289
Natural resources.....	1,391,277,131	178,118,572	1,213,158,559	1,358,063,034	224,746,500	1,133,316,534	1,209,466,054	256,887,641	952,578,413
Commerce and manpower.....	7,354,730,751	5,777,277,044	1,577,453,707	7,799,998,117	5,250,444,810	2,549,553,307	6,907,528,504	4,721,835,447	2,185,693,057
General government.....	1,212,429,398	3,568,150	1,208,861,248	1,225,151,131	3,030,167	1,222,120,964	1,568,858,469	3,159,850	1,565,698,619
Interest.....	6,469,925,599		6,469,925,599	6,557,815,161		6,557,815,161	6,378,015,161		6,378,015,161
Reserves for proposed legislation and contingencies:									
Net cost of classified pay increases.....							125,000,000		125,000,000
Other.....				100,000,000		100,000,000	200,000,000		200,000,000
Total.....	79,150,874,280	11,378,521,038	67,772,353,246	75,203,123,983	11,699,358,497	63,503,765,486	73,331,576,390	10,923,396,811	62,408,179,579
BY AGENCY									
Legislative branch.....	58,918,612		58,918,612	71,309,883		71,309,883	82,723,361		82,723,361
The Judiciary.....	28,356,326		28,356,326	30,538,743		30,538,743	33,044,315		33,044,315
Executive Office of the President.....	9,492,742		9,492,742	8,781,649		8,781,649	8,668,450		8,668,450
Funds appropriated to the President.....	5,477,122,740	194,902,965	5,282,219,775	5,070,179,860	485,675,057	4,584,504,803	5,355,667,283	460,421,653	4,895,245,630
Independent offices.....	9,950,288,256	3,477,478,076	6,472,810,180	9,647,449,839	2,559,257,179	7,088,192,660	9,947,193,647	2,743,419,665	7,203,773,982
General Services Administration.....	808,228,980	2,692,389	805,536,591	1,173,501,645	4,322,112	1,169,179,533	968,788,864	3,045,378	965,743,486
Housing and Home Finance Agency.....	1,440,178,631	2,054,772,590	614,593,959	1,666,817,211	1,481,465,471	185,351,740	1,264,310,971	1,390,422,058	126,111,087
Department of Agriculture.....	5,963,486,471	3,048,016,548	2,915,469,923	7,364,748,085	3,940,614,232	3,424,133,853	6,012,673,081	3,516,891,059	2,495,782,022
Department of Commerce.....	1,083,467,296	83,580,113	999,887,183	1,179,577,228	19,069,318	1,160,507,910	1,222,728,252	6,577,603	1,216,150,649
Department of Defense—Military Functions.....	40,336,252,986	470,753	40,335,773,233	34,375,430,700	430,700	34,375,000,000	34,000,431,500	431,500	34,000,000,000
Department of Defense—Civil Functions.....	707,809,290	102,725,752	605,083,538	624,092,895	92,650,681	531,442,214	631,754,857	88,970,700	542,784,157
Department of Health, Education, and Welfare.....	1,982,518,859	1,488,797	1,981,030,062	2,042,096,626	1,731,567	2,040,365,059	2,055,066,366	1,947,002	2,053,119,364
Department of the Interior.....	570,551,588	35,412,011	535,139,577	594,495,367	31,682,392	562,812,975	590,553,559	29,450,993	561,102,566
Department of Justice.....	182,643,091		182,643,091	185,379,295		185,379,295	201,828,169		201,828,169
Department of Labor.....	356,527,622	2,013,344	354,514,278	432,565,103	1,098,000	431,467,103	515,387,328	783,550	514,603,778
Post Office Department.....	2,686,297,013	2,374,591,710	311,705,303	2,740,605,808	2,472,951,701	267,654,107	2,541,278,545	2,516,983,545	24,295,000
Department of State.....	156,465,826		156,465,826	137,917,329		137,917,329	149,858,273		149,858,273
Treasury Department.....	7,339,117,951	366,990	7,338,750,961	7,732,406,717	608,410,087	7,123,996,630	7,391,089,869	164,052,105	7,227,037,764
District of Columbia.....	13,150,000		13,150,000	25,230,000		25,230,000	33,529,700		33,529,700
Reserves for proposed legislation and contingencies:									
Net cost of classified pay increase.....							125,000,000		125,000,000
Other.....				100,000,000		100,000,000	200,000,000		200,000,000
Total.....	79,150,874,280	11,378,521,038	67,772,353,246	75,203,123,983	11,699,358,497	63,503,765,486	73,331,576,390	10,923,396,811	62,408,179,579

^a Deduct, excess of repayments and collections over expenditures.^d Includes proposed postal rate increase of \$400,000,000.¹ Receipts of certain Government corporations, the postal service, and other revolving funds the receipts of which come primarily from outside the Government. These funds are listed in the respective chapters of part II as "Public enterprise funds."

INTRODUCTION TO PART II

Part II contains the details of the budget for Federal funds, including various types of tables and schedules, explanatory statements of the work to be performed and the money needed, and the text of the language proposed for enactment by Congress on each item of authorization. This part also includes material on funds of the municipal government of the District of Columbia, and a few other trust funds which require congressional action.

The contents of part II are arranged in chapters reflecting the organization of the Government. Totals from the chapters are carried forward to the tables of part I.

SUMMARIES OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

At the beginning of each chapter a table in large type summarizes budget authorizations available, and a second table summarizes expenditures and other dispositions of the amounts available. Both tables segregate the items proposed for later transmission, for which no details appear in this budget, from those items already enacted or recommended in this document.

Summary of budget authorizations available.—This summary indicates the totals of each type of new obligational authority for the year, the totals of the various types of balances brought forward into the year, and any inter-chapter transfers or net upward adjustments of budget authorizations. The various types of authorizations are explained in the introduction to part I (pp. A3 and A4).

Summary of expenditures and balances.—This summary indicates the total expenditures for the chapter, the portion of the unspent available amounts which ceases to be available during or at the close of the year, and the balances carried forward into the next year. The figures are taken from the detailed analysis schedules appearing throughout the chapter.

For the years 1955 and 1956, there are estimated the portion of the expenditures which will come out of appropriations or other authorizations granted by Congress for that year, and the expenditures which will come from permanent authorizations and from balances of prior authorizations brought into the year. Additional entries are used where required for expenditures which will come from appropriations made to liquidate prior contract authorizations, and for expenditures from balances and receipts of revolving and management funds. Because old and new authorizations are commingled in some accounts, no attempt is made in the summary figures to separate actual spending in 1954 between old and new authorizations.

In preparing the estimates for 1955 and 1956, it is generally assumed that prior year balances available in commingled accounts will be obligated before the new authorizations are obligated, and that expenditures will reflect the liquidation of those obligations on the basis of previous experience. Where the obligation and expenditure are simultaneous, the first-in, first-out method is used to assign expenditures between old and new authorizations. In the case of revolving funds where budgetary authorizations are commingled with receipts, it is assumed that authorizations are expended in an amount equal to the sums placed in the revolving fund during the year, and that the remaining expenditures or net collections are a charge or credit to balances of the fund.

Summaries of balances.—At the bottom of the foregoing summaries, there is given (a) a further analysis of the authorization balances which are carried forward each year, indicating the respective amounts which are obli-

gated and unobligated; and (b) a further analysis of the amounts written off or otherwise ceasing to be available each year, indicating the manner of writeoff.

STATEMENT OF AUTHORIZATIONS AND EXPENDITURES BY ACCOUNT TITLE

A detailed listing of the organization units and titles of appropriations and funds shows the budget authorizations and expenditures for each. The accounts are divided into several sections: Current authorizations other than revolving and management funds, permanent authorizations, revolving and management funds, and supplemental items proposed for later transmission.

Types of authorizations other than appropriations are set forth under the applicable appropriation titles, identified by separate stub entries. Functional code numbers appear in a separate column, indicating the category in the functional tables (special analyses B and K of part IV) where each account has been included.

Two deductions appear at the end of the table. One deduction, in the authorization column, covers the portion of appropriations which are to liquidate contract authorizations and hence are to be excluded in arriving at new obligational authority. The other deduction, in the expenditure column, is for the receipts of public enterprise funds, which are to be subtracted in arriving at *net* budget expenditures.

A separate double-page table is used for revolving and management funds. This portion of the table shows the total amounts provided by operations, the total amounts applied to operations and the net expenditures (which is the difference between the two other figures just named). Appropriations and other budgetary authorizations to use general fund money for revolving funds are shown in this section. The expenditures for each revolving fund include both the spending from budgetary authorizations and the spending from balances of the fund.

ALLOCATIONS AND CONSOLIDATED WORKING FUNDS

For funds appropriated to the President and other appropriations which are allocated by one agency to another for construction, for major procurement, for services to be carried on beyond the year, or for services which by mutual agreement are to be so handled, the amount so allocated is accounted for separately by the receiving agency. The use of the money is shown in a section of the budget under the parent account, rather than in the portion of the budget for the receiving agency.

Most other advances between agencies are accounted for in consolidated working funds. Each such advance is included in an appropriate object class of the parent accounts and the use of all such advances is shown in working fund schedules of the receiving agency.

DETAILED MATERIAL

The display for general and special fund appropriations is illustrated and explained on page 4 and the financial statements used for revolving funds are illustrated and explained on page 5.

The management funds follow the same style as general and special fund accounts with an extra summation of amounts provided and amounts applied, printed at the end of the expenditure analysis schedule. In the case of consolidated working funds, the detail is in part III.

EXPLANATORY ILLUSTRATION OF BUDGETS FOR GENERAL AND SPECIAL FUND ACCOUNTS

APPROPRIATION LANGUAGE

The language proposed by the President for inclusion in the 1956 appropriation acts is printed at the head of each item requiring action. The language in the 1955 appropriation act is used as a base. Immediately following the language are citations to relevant laws and the appropriations from which the text is taken.

Salaries and Expenses, Federal Communications Commission

Salaries and expenses: For necessary expenses in performing the duties of the Commission as authorized by law, including newspapers (not to exceed \$175), land and structures (not to exceed \$34,000) \$11,500, special counsel fees, improvement and care of grounds and repairs to buildings (not to exceed \$16,000), services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), purchase of not to exceed \$100,000, four motor vehicles, for replacement only, in the event adequate vehicles cannot be obtained by transfer from other departments or agencies, and not to exceed \$90,000, \$65,000 for expenses of travel, \$6,544,400, together with not to exceed \$150,000 of the unobligated balance of funds appropriated for this purpose in the "First Independent Offices Appropriation Act, 1954" \$6,700,000. (Independent Offices Appropriation Act, 1955.)

Appropriated 1955, \$6,544,400

Estimate 1956, \$6,700,000

Roman type shows the text used in the 1955 appropriation acts.

Brackets enclose material which it is proposed to omit in 1956.

Italic type indicates proposed new language and figures.

SCHEDULE OF AMOUNTS AVAILABLE

For each account there is shown a brief schedule which lists the appropriations made or required, other sources of money or authority to incur obligations, deductions for the amounts not used within the year, and the amount of "Obligations Incurred."

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$7,400,000	\$6,544,400	\$6,700,000
Reappropriation of prior year balance.....	150,000	150,000	150,000
Reimbursements from non-Federal sources.....	3,513	4,900	4,500
Reimbursements from other accounts.....	288,250	376,475	183,835
Total available for obligation.....	7,691,763	7,075,775	6,888,335
Balance reappropriated for subsequent year.....	-150,000		
Unobligated balance, estimated savings.....	-299,020		
Obligations incurred.....	7,242,743	7,075,775	6,888,335

NOTE.—Reimbursements from non-Federal sources above are from the proceeds of sale of personal property (40 U. S. C. 481 (c)).

Balances not available after the end of the year, to be lapse.

Obligations refer to orders placed, contracts awarded, and services received during the year, regardless of the time of payment. Appropriations or other obligatory authority must be provided by the Congress before obligations can be incurred.

OBLIGATIONS BY ACTIVITIES

Financial requirements are broken down by purpose, program, project, or activity. This breakdown is especially tailored for each agency and account, reflecting the particular duties and responsibilities for which it receives money.

Where reimbursements are received from other accounts of the Government, the obligations chargeable to such reimbursements are often placed in a separate portion of this schedule.

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
Direct Obligations			
1. Applied technical research and frequency allocation.....	\$447,576	\$437,000	\$431,174
2. Broadcast.....	1,383,989	1,243,952	1,205,794
3. Safety and special radio services.....	743,534	705,735	724,375
4. Field engineering and monitoring.....	2,335,190	2,273,908	2,269,703
5. Common carrier.....	712,655	726,956	732,022
6. Executive, staff, and service.....	1,327,639	1,325,617	1,341,456
Total direct obligations.....	6,951,493	6,699,300	6,704,500
Obligations Payable Out of Reimbursements From Other Accounts			
1. Applied technical research and frequency allocation.....	134,840	142,000	137,730
2. Broadcast.....	5,000	5,000	5,000
4. Field engineering and monitoring.....	115,421	182,600	
6. Executive, staff, and service.....	32,989	46,875	41,115
Total, obligations payable out of reimbursements from other accounts.....	288,250	376,475	183,835
Obligations incurred.....	7,242,743	7,075,775	6,888,335

Direct obligations are those for which this agency gets the money directly, either by appropriation, contract authorization, reimbursements from outside the Government, or other means.

Obligations shown in this portion of the schedule are financed by other appropriations and accounts, and therefore the amounts shown here are duplicated within the direct obligations section of the paying accounts.

NARRATIVE STATEMENTS

The work planned and services proposed to be carried out are described briefly under each appropriation or fund. Where practicable the narrative statements indicate the expected accomplishment in relation to the financial estimates and give some measures of program and performance. In the case of permanent appropriations, the narrative statements also explain the source of the money and the statutory basis for the appropriation.

The Federal Communications Commission regulates wire and radio communications in interstate and foreign commerce so as to (1) assure adequate common carrier services at reasonable rates and (2) promote the most efficient and beneficial use of the radio spectrum. The budget proposes that rising workloads stemming from the growth of telephone communication systems and increased use of radio and television will be accomplished with substantially the same staff and funds available in fiscal year 1955.

1. *Applied technical research and frequency allocation.*—This activity provides the Commission with the basic information for determining the best utilization of the radio spectrum.
2. *Broadcast.*—Standard broadcast (AM), frequency

Headings in the narrative statements usually agree with the schedules of obligations by activities.

OBLIGATIONS BY OBJECTS

There is shown for each account a summary of personal services and a classification of the obligations according to a uniform list of objects. These object classes, numbered from 01 to 16, reflect the nature of the things or services purchased, regardless of the purpose or the nature of the program for which they are used.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
Summary of Personal Services			
Total number of permanent positions.....	1,289	1,245	1,138
Average number of all employees.....	1,122	1,112	1,049
Number of employees at end of year.....	1,146	1,050	1,065
Average salaries and grades:			
General schedule grades.....			
Average salary.....	\$5,702	\$5,700	\$5,880
Average grade.....	GS-8.3	GS-8.4	GS-8.5
Personal service obligations:			
Permanent positions.....	\$6,323,388	\$6,302,365	\$6,127,445
Regular pay in excess of 52-week base.....	24,230	25,510	23,790
Payment above basic rates.....	71,965	70,600	67,600
Total personal service obligations.....	6,419,703	6,398,475	6,208,835
Direct Obligations			
01 Personal services.....	6,131,453	6,020,400	6,025,000
02 Travel.....	71,210	65,000	65,000
03 Transportation of things.....	22,253	15,000	15,000
04 Communications services.....	165,706	176,000	185,000
05 Rents and utility services.....	31,471	50,500	50,000
06 Printing and reproduction.....	38,162	25,000	29,000
07 Other contractual services.....	56,621	104,400	85,400
Services performed by other agencies.....	111,045	111,000	24,500
08 Supplies and materials.....	118,186	114,200	105,000
09 Equipment.....	155,656	108,900	108,500
10 Land and structures.....	13,000	4,000	11,500
13 Refunds, awards, and indemnities.....	210	500	600
Total direct obligations.....	6,954,493	6,699,300	6,704,500
Obligations Payable Out of Reimbursements From Other Accounts			
01 Personal services.....	288,250	376,475	183,835
Obligations incurred.....	7,242,743	7,075,775	6,888,335

Permanent positions are those of a full-time nature which are of indefinite duration. Some are filled by persons with temporary appointments.

This entry represents the number of (a) full-time and regularly scheduled part-time employees in pay status on the last workday in June and (b) intermittent employees who work at any time during June. This is the basis for reports to the Civil Service Commission.

Average salaries and grades are computed arithmetically. The average salary may fall either within or outside the salary range of the average grade.

The obligated balance shown here plus the unobligated balance brought forward from prior years (if any) shown in the schedule of amounts available for obligation make up the balance available at the start of the year which is included in the chapter summary data.

Obligations which have been incurred but not yet paid are estimated as closely as possible, but the eventual payment may be in a slightly different amount from the obligation first reported. This line indicates the adjustment required for this reason in expired accounts.

ANALYSIS OF EXPENDITURES

This schedule shows the relationship between obligations incurred during the year and the amounts disbursed in the same period. The obligated balances (i. e., obligations which have not yet been paid) brought forward and carried forward are the principal items in making the bridge from obligations to expenditures.

The schedule also distributes the year's expenditures between those which come from authorizations of the same year, here called "current authorizations" (whether of a permanent or non-permanent nature), and those which come from authorizations of a prior year.

In the case of management funds additional lines are shown in this schedule to show the total funds provided by operations (receipts) and applied to operations (checks issued) and the net effect on budget expenditures.

ANALYSIS OF EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$212,233	\$394,844	\$269,211
Obligations incurred during the year.....	7,242,743	7,075,775	6,888,335
Adjustment in obligations of prior years.....	7,454,976	7,470,586	7,177,546
Reimbursements.....	-2,830	-381,375	-188,335
Obligated balance carried to certified claims account.....	-8,777		
Obligated balance carried forward.....	-394,811	-289,211	-456,211
Total expenditures.....	6,756,795	6,800,000	6,530,060
Expenditures are distributed as follows:			
Out of current authorizations.....	6,507,484	6,416,000	6,258,000
Out of prior authorizations.....	189,311	384,000	262,060

Since the total of obligations includes the reimbursable items, but the expenditure figures are necessarily net of reimbursements (primarily to avoid duplicate accounting for the Government as a whole), it is necessary to deduct reimbursements in arriving at expenditure figures.

This is an example where successive annual appropriations are made. If appropriations of two or more years were merged under the law, a single figure would appear in this column for expenditures out of both current and prior authorizations.

EXPLANATORY ILLUSTRATION OF BUDGETS FOR REVOLVING FUNDS

The financial statements shown below are regularly used for revolving funds. Such funds also have narrative statements on program and performance. Budgetary

authorizations for such funds and limitations on expenses of Government corporations follow the general format illustrated on the opposite page.

STATEMENT OF SOURCES AND APPLICATION OF FUNDS

This is a balanced presentation of the amounts becoming available during the year, either in the form of cash or other working capital, and the way in which those amounts have been used.

The statement excludes depreciation, losses on loans, and other transactions which affect neither cash nor other current assets and liabilities. It does reflect transactions which affect cash, accounts receivable, accounts payable, other accrued liabilities, inventories of supplies for administrative purposes, deferred charges and credits.

Both the funds applied and the funds provided parts of the statement are divided between "operations" and Treasury "financing."

For intragovernmental funds, net expenditures (the sum of amounts applied to operations, less amounts provided by operations) are included in budget expenditures.

For public enterprise funds, the total amount applied to operations is included in total budget expenditures. The sum of amounts provided by operations for such funds make up the deduction for "Receipts of public enterprise funds."

A. Statement of sources and application of funds

	1954 actual	1955 estimate	1956 estimate
FUNDS APPLIED			
To operations:			
Acquisition of assets: Equipment.....	\$13,924	\$18,000	\$18,000
Expenses:			
Purchase of materials.....	695,549	800,000	800,000
Other expenses.....	1,295,559	1,655,000	1,705,000
Increase in selected working capital.....	89,967		13,332
Selected working capital absorbed.....	67,379		
Total applied to operations.....	2,152,401	2,473,000	2,536,332
To financing: Increase in Treasury cash.....		68,888	
Total funds applied.....	2,152,401	2,541,888	2,536,332
FUNDS PROVIDED			
By operations:			
Realization of assets: Proceeds from sale of equipment.....	1,019	800	800
Income:			
Sales of goods and services.....	2,034,424	2,474,600	2,523,600
Rental income from quarters.....	5,894	10,400	10,400
Decrease in selected working capital.....		50,598	
Total provided by operations.....	2,041,337	2,541,888	2,534,800
By financing: Decrease in Treasury cash.....	111,064		1,532
Total funds provided.....	2,152,401	2,541,888	2,536,332
EFFECT ON BUDGET EXPENDITURES			
Funds applied to operations.....	\$2,152,401	\$2,473,000	\$2,536,332
Funds provided by operations.....	2,041,337	2,541,888	2,534,800
Net effect on budget expenditures.....	111,064	-68,888	1,532
The above are charged or credited (-) to net receipts of the fund.....	111,064	-68,888	1,532

If the enterprise acquires materials for manufacture or sale, purchases for manufacture or sale are included in expenses in this statement, whether or not the materials are used within the year.

Selected working capital items comprise the current assets (other than cash with Treasury, inventories for sale or manufacture, and without deducting any valuation allowances) less the current liabilities (other than reserves). The net amount of such items is indicated in a footnote to Statement C.

Net effect on budget expenditures includes the spending of appropriations for the revolving fund as well as the spending of the fund's own receipts. A negative figure here indicates collections in excess of expenditures.

STATEMENT OF INCOME AND EXPENSE

This is a statement of the income and expenses and the resulting profit or loss for the year. This statement is normally on a full accrual basis, including in the expenses sums for depreciation and provision for losses on receivables. It also indicates losses and chargeoffs when they occur. In addition, gains or losses from the sale of equipment or other assets appear here.

At the bottom of this statement there is an analysis of the retained earnings or cumulative deficit, showing only additions to it during the year, any charges made against it, and the balance at the end of the year.

B. Statement of income and expense

	1954 actual	1955 estimate	1956 estimate
Income:			
Sales of goods and services.....	\$2,034,424	\$2,474,600	\$2,523,600
Rental income from quarters.....	5,894	10,400	10,400
Total income.....	2,040,318	2,485,000	2,534,000
Expenses:			
Cost of materials sold:			
Purchase of materials.....	695,549	800,000	800,000
Change in materials inventory.....	351	448	
Cost of materials sold.....	695,900	800,448	800,000
Other expenses.....	1,295,559	1,655,000	1,705,000
Depreciation of equipment.....	30,832	30,000	30,000
Total expenses.....	2,022,291	2,485,448	2,535,000
Net operating income or loss (-).....	18,027	-448	-1,600
Nonoperating income or loss (-):			
Proceeds from sale of fixed assets.....	1,019	800	800
Net book value of assets sold.....	915	1,000	1,000
Net nonoperating income or loss (-).....	104	-200	-200
Net income or loss (-) for the year.....	18,131	-648	-1,200
ANALYSIS OF RETAINED EARNINGS			
Retained earnings, beginning of year.....	30,597	48,728	48,080
Retained earnings, end of year.....	48,728	48,080	46,880

Income (as well as expenses) is usually based on the accrual method of accounting.

If the enterprise conducts a sales operation, the cost of goods sold, rather than purchases, is considered an expense in this statement.

Depreciation and other expenses not shown on statement A are indicated separately.

This entry agrees with the balance sheet. It represents cumulative profits kept in the business, whether in the form of cash, inventories, receivables, or fixed assets.

STATEMENT OF FINANCIAL CONDITION

This is a balance sheet of assets, liabilities, and investment of the Government at the close of the fiscal year. Like the other statements, it is normally on an accrual basis.

When interest is paid on part or all of the investment of the U. S. Government, this section is broken down to indicate the amount which has been invested by the Government on which the fund pays interest, the amount invested on which the fund does not pay interest, and the retained earnings or deficit.

C. Statement of financial condition

	1954 actual	1955 estimate	1956 estimate
ASSETS			
Current assets:			
Cash with Treasury:			
Operations.....	\$108,444	\$267,332	\$265,800
Deposit funds.....	35,031	35,000	35,000
Accounts receivable.....	438,816	388,816	390,000
Inventory of supplies and materials.....	89,448	89,000	89,000
Total current assets.....	761,739	780,148	779,800
Fixed assets:			
Equipment.....	346,889	355,889	363,889
Less portion charged off as depreciation.....	194,615	216,615	237,615
Total fixed assets.....	152,274	139,274	126,274
Total assets.....	914,013	919,422	906,074
LIABILITIES			
Current liabilities:			
Accounts payable.....	135,833	147,552	135,860
Accrued expenses.....	242,087	226,456	226,000
Deposit liabilities.....	35,031	35,000	35,000
Total liabilities.....	412,951	419,008	406,860
INVESTMENT OF U. S. GOVERNMENT			
Principal of fund:			
Appropriation.....	300,000	300,000	300,000
Donated assets, net.....	152,334	152,334	152,334
Total principal of fund.....	452,334	452,334	452,334
Retained earnings.....	48,728	48,080	46,880
Total investment of U. S. Government.....	501,062	500,414	499,214
Total liabilities and investment of U. S. Government.....	914,013	919,422	906,074

This entry represents cash on deposit with the Treasury. If the fund has any cash in commercial banks, it is also included here. It excludes any balances of appropriations (or other authorizations) which have not yet been paid into the fund.

"Liabilities" normally means what is owed for goods and services which have been received. The remainder of the obligations outstanding, covering items on order which have not yet been received, is shown as a footnote.

The investment of the U. S. Government indicates the Government's interest as owner, plus the Government's interest as creditor in the form of notes payable to the Treasury where a Government corporation has authorization to borrow on such notes.

The cash balances shown in the footnote and above are used in compiling chapter summary data on balances. The contingent liabilities and commitments, if any, shown in the footnote minus selected working capital make up the obligated portion of the balances. The total cash minus the obligated portion makes up the unobligated portion.

NOTE—Excludes contingent liability for undelivered orders as follows: June 30, 1953, \$34,754; 1954, \$18,809; 1955, \$20,000; 1956, \$20,000.
Selected working capital (other than cash with Treasury) included above is as follows: June 30, 1953, —\$25,101; 1954, \$60,896; 1955, \$4,808; 1956, \$18,140.
Cash balance with Treasury on June 30, 1953, was \$309,508.

LEGISLATIVE BRANCH
SUMMARY OF BUDGET AUTHORIZATIONS AVAILABLE

	1954 actual	1955 estimate	1956 estimate
NEW OBLIGATIONAL AUTHORITY			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations-----	\$70, 921, 086	\$76, 835, 549	\$82, 595, 879
Portion of appropriations to liquidate contract authorizations (-) -	-1, 000, 000	-7, 500, 000	-10, 300, 000
Reappropriations-----	14, 133, 254	70, 000	-----
Total new obligational authority enacted or recommended-----	84, 054, 340	69, 405, 549	72, 295, 879
BALANCES AND OTHER AMOUNTS AVAILABLE			
Balances brought forward at start of year from—			
Appropriations enacted-----	15, 598, 276	19, 107, 314	20, 661, 561
Contract authorizations-----	25, 246, 000	24, 246, 000	16, 746, 000
Revolving and management funds-----	148, 742	13, 074, 344	11, 695, 365
Total balances brought forward at start of year-----	40, 993, 018	56, 427, 658	49, 102, 926
Total budget authorizations available-----	125, 047, 358	125, 833, 207	121, 398, 805

SUMMARY OF BALANCES AVAILABLE AT START OF YEAR

	1954		1955		1956		1957	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
Balances of prior authorizations for expenditure:								
Appropriations enacted or recommended-----	\$14, 825, 898	\$772, 378	\$17, 509, 139	\$1, 598, 175	\$20, 661, 561	-----	\$16, 239, 841	-----
Balances of contract authorizations-----		25, 246, 000		24, 246, 000	16, 575, 199	\$170, 801	6, 317, 199	\$128, 801
Balances in revolving and management funds (including U. S. Government securities held)-----	131, 292	17, 450	* 12, 656, 284	25, 730, 628	* 12, 681, 796	24, 377, 161	* 13, 677, 601	25, 167, 204
Total balances available at start of year-----	14, 957, 190	26, 035, 828	4, 852, 855	51, 574, 803	24, 554, 964	24, 547, 962	8, 879, 439	25, 296, 005

* Deduct, excess of receivables over obligations.

DEPARTMENT OF AGRICULTURE
SUMMARY OF BUDGET AUTHORIZATIONS AVAILABLE

	1954 actual	1955 estimate	1956 estimate
NEW OBLIGATIONAL AUTHORITY			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations.....	\$875, 080, 255	\$734, 563, 150	\$947, 417, 574
Reappropriations.....	2, 650, 090	1, 212, 252	-----
Authorizations to expend from public debt receipts.....	3, 129, 272, 834	1, 863, 000, 000	377, 000, 000
Total new obligational authority under current authorizations.....	4, 007, 003, 179	2, 598, 775, 402	1, 324, 417, 574
Permanent authorizations:			
Appropriations.....	205, 663, 914	202, 799, 996	191, 162, 300
Contract authorizations.....	70, 500, 000	-----	-----
Total new obligational authority under permanent authorizations.....	276, 163, 914	202, 799, 996	191, 162, 300
Total new obligational authority enacted or recommended.....	4, 283, 167, 093	2, 801, 575, 398	1, 515, 579, 874
BALANCES AND OTHER AMOUNTS AVAILABLE			
Balances brought forward at start of year from—			
Appropriations enacted.....	487, 809, 953	498, 120, 109	553, 226, 401
Authorizations to expend from debt receipts.....	3, 731, 210, 374	4, 944, 743, 783	4, 284, 743, 783
Contract authorizations.....	-----	70, 500, 000	48, 000, 000
Revolving and management funds.....	62, 053, 228	88, 271, 113	70, 429, 078
Other amounts available: Transfers of balances to (—) or from (+) accounts in other chapters of the budget (net).....	— 13, 590	-----	-----
Total balances and other amounts available.....	4, 281, 059, 965	5, 601, 635, 005	4, 956, 399, 262
Total budget authorizations available.....	8, 564, 227, 058	8, 403, 210, 403	6, 471, 979, 136

SUMMARY OF BALANCES AVAILABLE AT START OF YEAR

	1954		1955		1956		1957	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
Balances of prior authorizations for expenditure:								
Appropriations enacted or recommended.....	\$132, 734, 154	\$355, 075, 799	\$215, 496, 684	\$282, 623, 425	\$189, 635, 967	\$363, 590, 434	\$206, 132, 348	\$272, 994, 689
Authorizations to expend from debt receipts.....	1, 144, 317, 071	2, 586, 893, 303	2, 946, 581, 401	1, 998, 162, 382	2, 316, 630, 848	1, 968, 112, 935	1, 658, 727, 287	1, 617, 516, 496
Balances of contract authorizations.....	-----	-----	-----	70, 500, 000	-----	48, 000, 000	-----	24, 000, 000
Balances in revolving and management funds (including U. S. Government securities held).....	6, 617, 314	55, 435, 914	* 13, 816, 912	102, 088, 025	5, 549, 745	64, 879, 333	4, 788, 160	107, 486, 083
Total balances available at start of year.....	1, 283, 668, 539	2, 997, 405, 016	3, 148, 261, 173	2, 453, 373, 832	2, 511, 816, 560	2, 444, 582, 702	1, 869, 647, 795	2, 021, 997, 268

* Deduct, excess of receivables over obligations

DEPARTMENT OF AGRICULTURE
SUMMARY OF EXPENDITURES AND BALANCES

	1954 actual	1955 estimate	1956 estimate
EXPENDITURES			
From new authorizations enacted or recommended in this document:			
Out of new obligational authority:			
Current authorizations.....		\$744, 240, 260	\$942, 996, 133
Permanent authorizations.....		21, 583, 462	20, 316, 800
Total expenditures from new authorizations enacted or recommended.....		765, 823, 722	963, 312, 933
	\$5, 963, 486, 471		
Other expenditures:			
Out of balances of prior expenditure authorizations.....		2, 637, 064, 478	1, 574, 314, 254
Out of receipts and balances of revolving and management funds.....		3, 961, 859, 885	3, 475, 045, 894
Total other expenditures.....		6, 598, 924, 363	5, 049, 360, 148
Total budget expenditures.....	5, 963, 486, 471	7, 364, 748, 085	6, 012, 673, 081
Deduct receipts of public enterprise funds.....	3, 048, 016, 548	3, 940, 614, 232	3, 516, 891, 059
Net budget expenditures.....	2, 915, 469, 923	3, 424, 133, 853	2, 495, 782, 022
BALANCES NOT EXPENDED			
Balances of authorizations and funds ceasing to be available unless reappropriated or reauthorized for the next year.....	47, 122, 130	22, 677, 288	84, 552, 051
Balances carried forward at end of year in—			
Appropriations enacted or recommended.....	498, 120, 109	553, 226, 401	479, 127, 037
Authorizations to expend from debt receipts.....	4, 944, 743, 783	4, 284, 743, 783	3, 276, 243, 783
Contract authorizations.....	70, 500, 000	48, 000, 000	24, 000, 000
Revolving and management funds.....	88, 271, 113	70, 429, 078	112, 274, 243
Total balances carried forward at end of year.....	5, 601, 635, 005	4, 956, 399, 262	3, 891, 645, 063
Net expenditures and balances.....	8, 564, 227, 058	8, 403, 210, 403	6, 471, 979, 136

SUMMARY OF BALANCES CEASING TO BE AVAILABLE UNLESS REAPPROPRIATED OR REAUTHORIZED BY CONGRESS

	1954 actual	1955 estimate	1956 estimate
Balances expiring and lapsing and adjustment of balances downward (net).....	\$45, 909, 878	\$22, 677, 288	\$84, 552, 051
Balances reappropriated or reauthorized for following year.....	1, 212, 252		
Total balances ceasing to be available unless reappropriated or reauthorized by Congress.....	47, 122, 130	22, 677, 288	84, 552, 051

BUDGET AUTHORIZATIONS AND EXPENDITURES
BY ORGANIZATION UNIT AND ACCOUNT TITLE

Organization unit and account title	Functional code No.	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			EXPENDITURES (from prior year and new authorizations)		
		1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
ENACTED OR RECOMMENDED IN THIS DOCUMENT							
Current authorizations (Other than revolving and management funds)							
Agricultural Research Service:							
Salaries and expenses.....	355		\$67,367,579	\$69,263,000		\$56,500,000	\$68,500,000
Payments to States, Hawaii, Alaska, and Puerto Rico.....	355	\$13,453,708	19,453,708	24,753,708	\$13,426,079	19,430,000	24,744,000
Research on strategic and critical agricultural materials.....	355	439,500	331,500	300,000	473,470	345,000	302,000
Foot-and-mouth and other contagious diseases of animals and poultry.....	355		1,900,000	1,900,000	2,264,477	4,250,000	2,200,000
Reappropriation.....	355	652,207	1,212,252				
Repayment to Commodity Credit Corporation for eradication of foot-and-mouth and other contagious diseases of animals and poultry.....	355			5,788,897			5,788,897
Miscellaneous: Research facilities.....	355				494,909	5,050,000	4,823,576
Extension Service:							
Payments to States, Hawaii, Alaska, and Puerto Rico.....	355	27,165,956	39,675,000	45,475,000	27,062,205	39,550,000	45,447,000
Salaries and expenses, Federal Extension Service.....	355		3,867,500	3,862,500		3,215,040	3,850,500
Miscellaneous: Salaries and expenses.....	355	2,605,000			2,082,448	86,647	1,500
Farmer Cooperative Service: Salaries and expenses.....	355	410,000	408,000	408,000	604,231	404,000	407,000
Forest Service:							
Salaries and expenses.....	402	45,565,700	48,721,200	49,853,000	45,191,394	47,700,000	49,000,000
Forest roads and trails.....	402	14,500,000	22,500,000	24,000,000	16,502,709	21,000,000	23,200,000
Contract authorization (permanent).....	402	70,500,000					
State and private forestry cooperation.....	402	10,792,708	10,683,690	9,600,000	10,700,947	10,636,000	9,680,000
Cooperative range improvements (special account).....	402	531,000	400,000	280,000	706,394	480,000	310,000
Acquisition of lands for national forests, Weeks Act.....	402	75,000	125,000		33,419	100,000	93,000
Acquisition of lands for national forests, special acts (indefinite, special account).....	402		10,000		21,754	8,700	5,000
Miscellaneous:							
Acquisition of lands for national forests, Superior National Forest.....	402				26,019	100,000	100,000
Control of forest pests.....	402	5,286,354			5,537,067	1,000,000	52,342
Forest roads and trails.....	453				16,354	301	
Land utilization projects (indefinite).....	354					85,255	
Smoke jumper facilities.....	402				525,578	45,000	2,321
Soil Conservation Service:							
Conservation operations.....	354	60,719,514	59,085,671	55,696,200	59,890,068	59,031,000	55,300,000
Reappropriation.....	354	1,997,883					
Watershed protection.....	354	5,000,000	7,210,000	11,000,000	2,102,228	7,950,000	9,830,000
Flood prevention.....	354	7,000,000	7,482,000	8,700,000	6,641,446	8,800,000	8,440,000
Water conservation and utilization projects.....	354	685,000	480,000		426,036	447,800	350,000
Agricultural Conservation Program Service:							
Agricultural conservation program.....	354	226,982,000	191,700,000	250,000,000	171,335,251	190,000,000	212,000,000
Less estimated reduction due to availability of balances under the 1953 program.....	354			34,000,000			
Estimate, adjusted.....	354			(216,000,000)			
Agricultural Marketing Service:							
Marketing research and service.....	355		21,790,500	22,396,000		19,000,000	21,900,000
Payments to States, Territories, and possessions.....	355		900,000	1,000,000		900,000	1,000,000
School lunch program.....	203	83,236,197	83,236,197	68,000,000	83,516,551	83,500,000	67,950,000
Repayment to Commodity Credit Corporation.....	355	768,505	441,655		768,505	441,655	
Miscellaneous: Salaries and expenses, marketing services.....	355	12,326,000			11,339,584	1,249,150	
Foreign Agricultural Service: Salaries and expenses.....	355	703,000	2,265,000	3,365,000	653,646	2,282,200	3,272,300
Commodity Exchange Authority: Salaries and expenses.....	355	692,273	693,000	698,000	680,820	711,000	695,000
Commodity Stabilization Service:							
Agricultural adjustment programs.....	351	43,628,803	41,250,000	39,000,000	41,461,625	41,249,000	39,000,000
Sugar Act program.....	351	59,645,000	59,600,000	61,600,000	66,452,386	61,200,000	61,200,000
International Wheat Agreement.....	351			57,378,551			57,378,551
Reimbursement to Commodity Credit Corporation for emergency feed assistance.....	352			42,100,000			42,100,000
Reimbursement to Commodity Credit Corporation for transfer of wheat to Pakistan.....	152			69,273,881			69,273,881
Reimbursement to Commodity Credit Corporation for emergency famine relief to friendly peoples.....	152			9,676,628			9,676,628
Miscellaneous: Administration of Price Adjustment Act of 1938.....	351				* 355		
Federal Crop Insurance Corporation: Operating and administrative expenses.....							
	351	7,450,000	6,000,000	6,000,000	5,445,222	6,157,300	6,999,000
Rural Electrification Administration:							
Loans: Authorization to expend from public debt receipts.....	353	240,500,000	210,000,000	230,000,000	209,968,658	210,000,000	225,000,000
Salaries and expenses.....	353	7,565,000	7,285,000	7,680,000	7,348,247	7,360,000	7,577,000

* Deduct, excess of repayments and collections over expenditures.

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code No.	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			EXPENDITURES (from prior year and new authorizations)		
		1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
ENACTED OR RECOMMENDED IN THIS DOCUMENT—Continued							
Current authorizations—Continued							
Farmers' Home Administration:							
Loans: Authorization to expend from public debt receipts...	352	\$166,050,000	\$153,000,000	\$147,000,000	\$164,714,053	\$153,939,000	\$147,500,000
(Farm housing: Authorization to expend from public debt receipts).....	252	15,950,000			16,000,000	61,000	
Salaries and expenses.....	352	26,737,000	23,550,000	24,500,000	26,609,940	24,312,000	24,400,000
Miscellaneous:							
Advances from Secretary of the Treasury for farm tenant loans.....	352				60,965		
Grants, farm housing.....	352				• 500		
Office of the Solicitor: Salaries and expenses.....	355	2,250,000	2,115,000	2,164,000	2,143,452	2,119,020	2,155,000
Office of the Secretary:							
Salaries and expenses.....	355	2,188,000	2,080,000	2,172,600	2,144,038	2,090,000	2,153,000
Miscellaneous:							
Emergency supplies for Territories and possessions.....	351				10,947		
Salaries and expenses, defense production activities.....	355				155,465		
Office of Information: Salaries and expenses.....	355	1,223,000	1,196,000	1,238,000	906,315	1,400,000	1,320,000
Library: Salaries and expenses.....	355	681,800	659,950	659,950	677,732	661,500	660,000
Miscellaneous:							
Agricultural Marketing Act.....	355	5,500,000			5,363,934	621,000	270,000
Control of emergency outbreaks of insects and plant diseases, Bureau of Entomology and Plant Quarantine, Agricultural Research Administration.....	355				45,842	380	
Research on agricultural problems of Alaska, Office of Experiment Stations, Agricultural Research Administration.....	355	270,000			273,541	34,000	609
Salaries and expenses, Bureau of Agricultural and Industrial Chemistry, Agricultural Research Administration.....	355	7,714,000			7,473,081	1,250,000	160,000
Salaries and expenses, Bureau of Agricultural Economics.....	355	5,729,000			5,420,058	596,788	10,000
Salaries and expenses, Bureau of Animal Industry, Agricultural Research Administration.....	355	26,690,000			26,115,854	2,150,000	236,350
Salaries, and expenses, Bureau of Dairy Industry, Agricultural Research Administration.....	355	1,656,300			1,544,831	250,000	7,260
Salaries and expenses, Bureau of Entomology and Plant Quarantine, Agricultural Research Administration.....	355	12,744,830			12,132,622	1,200,000	141,471
Salaries and expenses, Bureau of Human Nutrition and Home Economics, Agricultural Research Administration.....	355	1,404,500			1,327,854	245,000	40,000
Salaries and expenses, Bureau of Plant Industry, Soils, and Agricultural Engineering, Agricultural Research Administration.....	355	12,248,000			11,890,482	1,700,000	186,843
Salaries and expenses, Office of Administrator, Agricultural Research Administration.....	355	352,677			422,544	26,000	2,007
Salaries and expenses, Office of Experiment Stations, Agricultural Research Administration.....	355	367,950			348,653	40,000	1,765
Virgin Islands agricultural program, Office of Experiment Stations, Agricultural Research Administration.....	355	96,980			92,131	14,000	927
Total current authorizations, other than revolving and management funds.....		1,240,730,345	1,098,775,402	1,322,782,915	1,079,513,206	1,102,974,736	1,316,703,728
Permanent authorizations (Indefinite appropriation, special account unless otherwise indicated)							
Extension Service: Cooperative agricultural extension work (Indefinite appropriation, general account).....							
Forest Service:							
Expenses, brush disposal.....	402	2,923,760	3,000,000	3,300,000	2,519,032	3,200,000	3,200,000
Forest fire prevention.....	402	53,250	50,000	50,000	29,483	60,000	60,000
Payment to Minnesota (Cook, Lake, and Saint Louis Counties) from the national forests fund.....	402	45,332	45,300	45,300	45,332	45,300	45,300
Payment due counties, submarginal land program, Farm Tenant Act.....	354	461,034	375,000	375,000	461,034	375,000	375,000
Payments to school funds, Arizona and New Mexico, act of June 20, 1910 (receipt limitation) (indefinite appropriation, general account).....	402	122,755	102,579	102,000	122,755	102,579	102,000
Payments to States and Territories from the national forests fund.....	402	18,681,347	16,393,583	15,500,000	18,649,794	16,425,585	15,500,000
Roads and trails for States, national forests fund.....	402	7,473,593	6,559,408	6,200,000	9,786,764	7,300,000	6,400,000

• Deduct, excess of repayments and collections over expenditures.

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code No.	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			EXPENDITURES (from prior year and new authorizations)		
		1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
ENACTED OR RECOMMENDED IN THIS DOCUMENT—Continued							
Permanent authorizations—Continued							
Agricultural Marketing Service:							
Perishable Agricultural Commodities Act fund.....	355	\$428,157	\$390,000	\$390,000	\$367,407	\$405,000	\$406,500
Removal of surplus agricultural commodities (indefinite appropriation, general account).....	351	170,763,486	175,884,126	165,000,000	177,575,446	113,000,000	180,000,000
Commodity Stabilization Service: National Wool Act (indefinite appropriation, general account).....	351			200,000			200,000
Total permanent authorizations.....		205,663,914	202,799,996	191,162,300	214,266,620	140,913,464	206,288,800

REVOLVING AND MANAGEMENT FUNDS

(Including budget authorizations therefor from the general fund)

Organization unit and appropriation title	Functional code No.	NEW AUTHORIZATIONS (authorizations to expend from public debt receipts unless otherwise specified)			FUNDS PROVIDED (by operations)					
		1954	1955	1956	1954	1955	1956			
ENACTED OR RECOMMENDED IN THIS DOCUMENT										
Public enterprise funds										
Commodity Credit Corporation:										
Limitation on administrative expenses.....	351	(\$20,000,000)	(\$18,000,000)	(\$26,000,000)	\$2,886,286,428	\$3,731,175,508	\$3,083,147,685			
Increase in borrowing authority.....	351	1,750,000,000	1,500,000,000							
Restoration of capital impairment.....	351	646,357,009		1,634,659						
Price support, supply, and related programs.....	351									
Transfers and other costs for eradication of foot-and-mouth disease.....	355	9,121,635							5,788,897	
International Wheat Agreement.....	351	301,294,190							57,378,551	
Emergency assistance to Pakistan—wheat.....	152								69,273,881	
Emergency feed program—cost of commodities.....	352							70,072,512	1,557,037	42,100,000
Loan to Secretary of Agriculture for conservation program.....	354							18,410,222	60,143,881	9,450,000
Emergency assistance to friendly peoples.....	152									9,676,628
Transfers and other costs for eradication of brucellosis in cattle.....	355									
Sales for foreign currencies: Cost of commodities and other expenditures.....	351					40,000,000	125,000,000			
Total, Commodity Credit Corporation.....		2,706,772,834	1,500,000,000	1,634,659	2,974,769,162	3,832,876,426	3,401,815,642			
Federal Crop Insurance Corporation: Capital and insurance fund.....	351				27,253,439	24,092,779	30,226,417			
Farmers' Home Administration:										
Disaster loans, etc., revolving fund.....	352	130,000,000			45,087,543	82,478,827	83,110,000			
Farm tenant-mortgage insurance fund.....	352				906,404	1,166,200	1,739,000			
Total public enterprise funds.....		2,836,772,834	1,500,000,000	1,634,659	3,048,016,548	3,940,614,232	3,516,891,059			
Intragovernmental funds										
Agricultural Research Service: Working capital fund, Agricultural Research Center.....	355				2,041,337	2,541,888	2,534,800			
Commodity Stabilization Service:										
Local administration, sec. 388, Agricultural Adjustment Act of 1938.....	354				101,723,416	112,940,630	103,620,000			
Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938.....	354				1,355,316	1,092,800	1,101,330			
Office of the Secretary:										
Working capital fund.....	355				1,871,855	2,269,066	2,169,270			
Consolidated working fund.....	355				668,088	31,679				
Total intragovernmental funds.....					107,660,012	118,876,063	109,425,400			
Total revolving and management funds.....		2,836,772,834	1,500,000,000	1,634,659	3,155,676,560	4,059,490,295	3,626,316,459			

1 Current appropriation.

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

Organization unit and account title	Functional code No.	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			EXPENDITURES (from prior year and new authorizations)		
		1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
ENACTED OR RECOMMENDED IN THIS DOCUMENT—Continued							
Revolving and management funds							
Public enterprise funds (see “New authorizations” and “Funds applied” in detail section below).....		\$2, 836, 772, 834	\$1, 500, 000, 000	\$1, 634, 659	\$4, 676, 640, 631	\$6, 120, 644, 219	\$4, 489, 705, 005
Intragovernmental funds (see “Net effect on budget expenditures” in detail section below).....					• 6, 933, 986	215, 666	• 24, 452
Total revolving and management funds.....		2, 836, 772, 834	1, 500, 000, 000	1, 634, 659	4, 669, 706, 645	6, 120, 859, 885	4, 489, 680, 553
Total enacted or recommended.....		4, 283, 167, 093	2, 801, 575, 398	1, 515, 579, 874	5, 963, 486, 471	7, 364, 748, 085	6, 012, 673, 081
Deduct receipts of public enterprise funds (see “Funds provided” in detail section below).....					3, 048, 016, 548	3, 940, 614, 232	3, 516, 891, 059
Total new obligational authority and net budget expenditures.....		4, 283, 167, 093	2, 801, 575, 398	1, 515, 579, 874	2, 915, 469, 923	3, 424, 133, 853	2, 495, 782, 022

REVOLVING AND MANAGEMENT FUNDS

(Including budget authorizations therefor from the general fund)

FUNDS APPLIED (to operations)			NET EFFECT ON BUDGET EXPENDITURES			Organization unit and appropriation title
1954	1955	1956	1954	1955	1956	
						ENACTED OR RECOMMENDED IN THIS DOCUMENT
						Public enterprise funds
						Commodity Credit Corporation:
						Limitation on administrative expenses
						Increase in borrowing authority
						Restoration of capital impairment
						Price support, supply, and related programs
						Transfers and other costs for eradication of foot-and-mouth disease
						International Wheat Agreement
						Emergency assistance to Pakistan—wheat
						Emergency feed program—cost of commodities
						Loan to Secretary of Agriculture for conservation program
						Emergency assistance to friendly peoples
						Transfers and other costs for eradication of brucellosis in cattle
						Sales for foreign currencies: Cost of commodities and other expenditures
						Total, Commodity Credit Corporation
						Federal Crop Insurance Corporation: Capital and insurance fund
						Farmers' Home Administration:
						Disaster loans, etc., revolving fund
						Farm tenant-mortgage insurance fund
						Total public enterprise funds
						Intragovernmental funds
						Agricultural Research Service: Working capital fund, Agricultural Research Center.
						Commodity Stabilization Service:
						Local administration, sec. 388, Agricultural Adjustment Act of 1938
						Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938
						Office of the Secretary:
						Working capital fund
						Consolidated working fund
						Total intragovernmental funds
						Total revolving and management funds

• Deduct, excess of repayments and collections over expenditures.

CURRENT AUTHORIZATIONS

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

Salaries and Expenses, Agricultural Research Service

For expenses necessary to perform agricultural research relating to production and utilization, to control and eradicate [insect] pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That not to exceed \$15,000 of the appropriations hereunder shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a): *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase (for emergency replacement only) of not to exceed one, and the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed \$7,500 and the cost of altering any one building during the fiscal year shall not exceed \$3,750 or two per centum of the cost of the building, whichever is greater: *Provided further*, That appropriations hereunder shall be available for uniforms, or allowances therefor, as authorized by the Act of September 1, 1954 (68 Stat. 1114):

Research: For research and demonstrations on the production and utilization of agricultural products, and related research and services, including administration of payments to State Agricultural Experiment Stations; [\$35,353,000, of which not to exceed \$20,000 shall be available for the construction of an office and a laboratory building at the Southeastern Tidewater Field Station, Fleming, Georgia, and of which not to exceed \$28,000 shall be available for the construction or acquisition of the necessary lands and buildings for a pecan research laboratory at Albany, Georgia, and of which not to exceed \$100,000 shall be available for the construction of a cotton ginning laboratory in the Southeast, including acquisition of necessary land] \$37,684,000.

Plant and animal disease and pest control: For operations and measures to control and eradicate [insect] pests and plant and animal diseases and for carrying out assigned inspection, quarantine and regulatory activities, as authorized by law; [\$17,689,579] \$17,254,000, of which \$400,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases under the joint resolution approved May 9, 1938 (7 U. S. C. 148-148e), and the Act of August 13, 1954 (Public Law 586), to the extent necessary to meet emergency conditions: *Provided further*, That no part of this appropriation shall be used to pay the cost or value of trees, farm animals, farm crops, or other property injured or destroyed as a result of plant insect and disease control activities except potatoes and tomatoes as authorized under the Golden Nematode Act: *Provided further*, That, in the discretion of the Secretary, no part of this appropriation shall be expended for the control of sweetpotato weevil in any State until such State has provided cooperation necessary to accomplish this purpose, or for barberry eradication until a sum or sums at least equal to such expenditures shall have been made available by States, counties, or local authorities, or by individuals or organizations for the accomplishment of this purpose, or with respect to the golden nematode except as prescribed in section 4 of the Golden Nematode Act.

Meat inspection: For carrying out the provisions of laws relating to Federal inspection of meat and meat-food products and the applicable provisions of the laws relating to process or renovated butter; \$14,325,000. (5 U. S. C. 511-512, 524, 563-564, 565a, 576; 7 U. S. C. 135-135b, 141-167, 281-283, 361-363, 365-383, 385-386f, 391, 394-396, 401-404, 421-422a, 424-425, 427-427g, 429-431, 433-434, 436-437, 441, 851-855, 1292, 1651-1656; 15 U. S. C. 69c; 16 U. S. C. 531-531a, 581f, 590a-590b, 590f; 19 U. S. C. 1201, 1306; 20 U. S. C. 191-194; 21 U. S. C. 71-96, 101-105, 111-128, 130-131, 151-158; 21 U. S. C. Supp. I, 114a; 26 U. S. C. 2325, 2326c; 31 U. S. C. 725a; 45 U. S. C. 71-74; 46 U. S. C. 466a-466b; 48 U. S. C. 198, 1409m-1409o; 49 U. S. C. 177e, 181b; 46 Stat. 67; Public Res. 47, approved May 21, 1928; Public Res. 42, approved Feb. 8, 1930; Act of July 22, 1954, Public Law 518; Act of July 28, 1954, Public Law 545; Act of Aug. 13, 1954, Public Law 586; Act of Aug. 28, 1954, Public Law 690; Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

Appropriated 1955, \$67,367,579 Estimate 1956, • \$69,263,000

• Excludes \$3,500 for activities transferred in the estimates to "Salaries and expenses, Office of Information, Agriculture," and includes \$472,500 for activities previously carried under appropriations as follows:

"Operating expenses, Atomic Energy Commission"..... \$95,000
"Research and development, Army"..... 377,500
The amounts obligated in 1954 and 1955 are shown in the schedule as comparative transfers.

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....		\$67,367,579	\$69,263,000
Reimbursements from non-Federal sources.....		3,695,400	4,288,800
Reimbursements from other accounts.....		11,583,756	16,519,720
Obligations incurred.....		82,646,735	90,071,520
Comparative transfer from—			
"Agricultural Marketing Act, Agriculture":			
Direct appropriation.....	\$303,748		
Reimbursements from other accounts.....	1,000		
"Salaries and expenses, Office of Administrator, Agricultural Research Administration":		350,819	
"Salaries and expenses, Office of Experiment Stations, Agricultural Research Administration":			
Direct appropriation.....	355,410		
Reimbursements from other accounts.....	9,800		
"Virgin Islands agricultural program, Office of Experiment Stations, Agricultural Research Administration":			
Direct appropriation.....	95,855		
Reimbursements from other accounts.....	3,710		
"Research on agricultural problems of Alaska, Office of Experiment Stations, Agricultural Research Administration":		269,966	
"Salaries and expenses, Bureau of Human Nutrition and Home Economics, Agricultural Research Administration":			
Direct appropriation.....	1,391,529		
Reimbursements from non-Federal sources.....	2,528		
Reimbursements from other accounts.....	4,543		
"Salaries and expenses, Bureau of Animal Industry, Agricultural Research Administration":			
Direct appropriation.....	26,528,339		
Reimbursements from non-Federal sources.....	2,525,350		
Reimbursements from other accounts.....	809,282		
"Salaries and expenses, Bureau of Dairy Industry, Agricultural Research Administration":			
Direct appropriation.....	1,636,897		
Reimbursements from non-Federal sources.....	296		
Reimbursements from other accounts.....	47		
"Salaries and expenses, Bureau of Agricultural and Industrial Chemistry, Agricultural Research Administration":			
Direct appropriation.....	7,491,825		
Reimbursements from non-Federal sources.....	1,425		
Reimbursements from other accounts.....	16,748		
"Salaries and expenses, Bureau of Plant Industry, Soils, and Agricultural Engineering":			
Direct appropriation.....	11,263,757		
Reimbursements from non-Federal sources.....	15,477		
Reimbursements from other accounts.....	139,682		
"Salaries and expenses, Bureau of Entomology and Plant Quarantine, Agricultural Research Administration":			
Direct appropriation.....	11,685,863		
Reimbursements from non-Federal sources.....	130,896		
Reimbursements from other accounts.....	24,935		
"Salaries and expenses, Bureau of Agricultural Economics":			
Direct appropriation.....	1,191,339		
Reimbursements from non-Federal sources.....	128		
Reimbursements from other accounts.....	16,957		
"Salaries and expenses, Forest Service":			
Direct appropriation.....	178,459		
Reimbursements from other accounts.....	600		
"Forest roads and trails, Forest Service":		2,000	
"Conservation operations, Soil Conservation Service":			
Direct appropriation.....	618,393		
Reimbursements from non-Federal sources.....	4,820		
Reimbursements from other accounts.....	3,435		
"Salaries and expenses, marketing services, Production and Marketing Administration":			
Direct appropriation.....	623,682		
Reimbursements from other accounts.....	4,175		
"Resources management, Bureau of Indian Affairs":		62,070	
"Research and development, Army":		369,965	377,500
"Operating expenses, Atomic Energy Commission":		95,000	95,000

AMOUNTS AVAILABLE FOR OBLIGATION—continued

	1954 actual	1955 estimate	1956 estimate
Comparative transfer to "Salaries and expenses, Office of Information, Agriculture".....	—\$3,430	—\$3,500	-----
Total obligations.....	68,227,320	83,115,735	\$90,071,520

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of charts (7 U. S. C. 1387) and personal property (40 U. S. C. 481 (c)), from payments by non-Federal agencies for overtime work and travel performed at meatpacking establishments and veterinary biological establishments and for animal and plant quarantine inspection (5 U. S. C. 576; 7 U. S. C. 394, 396), from cooperating State, county, municipal, and private organizations for soil and water conservation work (16 U. S. C. 590a), and from refunds of terminal leave payments (5 U. S. C. 61 (b)).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Research:			
(a) Crop research.....	\$11,576,121	\$12,446,000	\$13,225,000
(b) Farm and land management research.....	5,961,668	6,524,000	6,774,000
(c) Livestock research.....	5,404,417	5,692,000	6,350,000
(d) Administration of payments to States, and Territorial research.....	729,913	732,000	757,000
(e) Human nutrition and home economics research.....	1,352,527	1,426,000	1,426,000
(f) Utilization research.....	7,955,783	9,002,000	9,152,000
Subtotal.....	32,980,429	35,822,000	37,684,000
2. Plant and animal disease and pest control:			
(a) Plant disease and pest control....	8,960,955	8,972,000	8,582,600
(b) Animal disease and pest control....	8,409,929	8,717,579	8,671,400
Subtotal.....	17,370,884	17,689,579	17,254,000
3. Meat inspection.....	14,160,173	14,325,000	14,325,000
4. Obligations under reimbursements from non-Federal sources.....	2,680,920	3,695,400	4,288,800
Total direct obligations.....	67,192,406	71,531,979	73,551,800
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. Research:			
(a) Crop research.....	74,436	38,600	38,600
(b) Farm and land management research.....	90,030	61,600	61,600
(c) Livestock research.....	71,401	41,800	41,800
(d) Administration of payments to States, and Territorial research.....	13,510	3,500	3,500
(e) Human nutrition and home economics research.....	4,543	356	-----
(f) Utilization research.....	16,748	15,700	7,420
Subtotal.....	270,668	161,556	152,920
2. Plant and animal disease and pest control:			
(a) Plant disease and pest control....	26,318	16,700	16,700
(b) Animal disease and pest control....	213,500	10,220,000	15,220,000
Subtotal.....	239,818	10,236,700	15,236,700
3. Meat inspection.....	343,349	811,800	812,100
4. Other services performed.....	181,079	373,700	318,000
Total obligations payable out of reimbursements from other accounts.....	1,034,914	11,583,756	16,519,720
Total obligations.....	68,227,320	83,115,735	90,071,520

PROGRAM AND PERFORMANCE

The Agricultural Research Service conducts fundamental and applied research and demonstrations relating to the production and utilization of agricultural products, and conducts those control and regulatory programs of the Department which involve enforcement of plant and animal quarantines, meat inspection, the control of diseases and insect pests of animals and plants, and related work.

The proposed net increase consists of: (a) increases to expand and strengthen research relating to the production and utilization of agricultural products, primarily in the field of increasing efficiency and reducing costs of producing livestock and livestock products as a primary means of adjusting production to consumer demand, partially offset

by (b) a net decrease in control and regulatory activities on certain insects and plant and animal diseases.

1. *Research*—(a) *Crop research*.—Investigations are conducted to develop improved varieties of food, feed, fiber, and other plants; to improve crop production practices including methods to control plant diseases; to control harmful and utilize beneficial insects affecting farm production; and to develop and test new chemical formulations for the control of crop pests.

(b) *Farm and land management research*.—Investigations are conducted to improve fertilizers and soil management and irrigation practices; to develop and improve conservation practices and techniques; to determine the relation of soils to plant, animal, and human nutrition; and to apply engineering principles to agriculture. Economics of production research is conducted on profitable adjustments in farming by type and size of farm; efficiency in use of labor, equipment, land, and water; inventory and analysis of land resources; and problems of farm valuation, taxation, debt, tenure, risk, and insurance.

(c) *Livestock research*.—Investigations are conducted on all farm livestock, poultry, and domestic fur animals to develop superior strains and types, establish nutritive requirements, determine physiology of reproduction, achieve efficient use of feed and forage in the production of meat, milk, eggs, wool, fur, and other products; develop practical methods of control of diseases and of parasites affecting livestock and develop improved and efficient management methods and practices.

(d) *Administration of payments to States, and Territorial research*.—Research under Federal grant funds at each State agricultural experiment station is administered and coordinated with the research conducted by other States and by agencies of the United States Department of Agriculture. Agricultural experiment stations are operated in Puerto Rico, Virgin Islands, and Alaska.

(e) *Human nutrition and home economics research*.—Investigations are conducted on nutritional requirements; the composition and nutritive value of various foods; the principles of utilization underlying consumer selection, preparation, and preservation of foods. Studies are also made of the practices and problems of families in the buying, utilization, and management of food, clothing, household equipment and other needed goods and services, and the requirements and designs for effective use of household space.

(f) *Utilization research*.—Investigations are conducted in the field of chemistry and related physical and biological sciences to develop new and improved foods, feeds, drugs, fabrics, industrial chemicals, and other products from agricultural commodities; to devise improved methods for evaluating the suitability of commodities for processing; to devise better processing methods; to increase the use of byproducts; and to solve waste disposal problems.

2. *Plant and animal disease and pest control*—(a) *Plant disease and pest control*.—The work consists of insect and plant disease control and plant quarantine measures designed to protect agriculture from destructive insects and plant diseases. The Federal Insecticide, Fungicide, and Rodenticide Act is administered and enforced.

(b) *Animal disease and pest control*.—Measures are devised to exclude communicable diseases of foreign origin from this country; to prevent the spread of diseases through interstate shipments of livestock or distribution of impure or impotent veterinary biologics; to control and eradicate livestock diseases, and to maintain, through a marketing agreement with manufacturers and handlers,

AGRICULTURAL RESEARCH SERVICE—Continued

SALARIES AND EXPENSES—continued

Salaries and Expenses, Agricultural Research Service—Continued
adequate supplies of hog cholera virus and serum for protection of swine.

The volume of inspections, interceptions of unauthorized plant materials, export certifications issued, and other protective activities is indicated by selected examples in the following table:

Item	Fiscal year
Plant inspection:	1954
Inspections at ports of entry:	
Airplanes.....	77,029
Vessels.....	52,311
Foreign mail packages.....	3,949,054
Interceptions of unauthorized plant material.....	170,603
Export certificates issued.....	33,476
Plant containers certified for export.....	11,850,609
Animal import-export inspection:	
All animals.....	223,984
Import animal products (hides, glands, etc.)..... pounds.....	5,403,554,054
Sheep inspected for scabies.....	5,477,334
Seabies-infected sheep found.....	40,894
Cattle inspected for scabies.....	1,090,260
Seabies-infected cattle found.....	10,749
Inspections and dippings for cattle fever ticks.....	1,860,747
Cattle tested for tuberculosis.....	10,234,665
Tuberculosis reactors found.....	10,886
Cattle tested for brucellosis.....	9,002,109
Brucellosis reactors found.....	235,666
Animals inspected at public stockyards.....	62,172,488
Diseased animals received or found.....	106,918
Supervision of production of veterinary biologics:	
Hog ebola virus and anti-hog-ebola serum..... cubic centimeters.....	1,060,438,270
Hog cholera vaccine..... doses.....	31,636,155

3. *Meat inspection.*—Federal meat inspection is conducted to assure a clean and wholesome meat supply for human consumption. The work includes inspection of animals, carcasses and meat, and meat-food products at various stages of handling and processing. Measures are enforced to insure informative labeling and meats imported or exported are inspected. Reimbursements are received from meatpacking establishments for the cost of overtime performed at their request. Reimbursements are also received from governmental purchasing agencies for examining meat and meat-food products for compliance with their specifications. Continuous inspection of the manufacture of process butter is also provided.

The volume of inspections and examinations performed annually is indicated by examples for the fiscal year 1954, given in the following table:

	Number of units fiscal year 1954
Number of establishments covered.....	1,067
Inspections of live animals.....	90,928,932
Post mortem inspections.....	90,922,590
Animals and carcasses condemned.....	288,155
Meat and meat-food products processed..... pounds.....	14,833,471,229
Meat products examined for other agencies..... do.....	355,684,708
Meat products condemned..... do.....	6,163,807

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	11,723	12,058	12,513
Full-time equivalent of all other positions.....	713	1,530	1,916
Average number of all employees.....	11,385	12,752	13,513
Number of employees at end of year.....	12,676	14,700	14,300
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,844	\$4,826	\$4,801
Average grade.....	GS-6.9	GS-6.9	GS-6.8
Personal service obligations:			
Permanent positions.....	\$51,158,746	\$53,813,600	\$55,456,300
Positions other than permanent.....	2,002,654	5,926,800	6,806,000
Regular pay in excess of 52-week base.....	198,158	209,700	214,500
Payment above basic rates.....	2,435,075	3,431,900	4,070,500
Other payments for personal services.....	7,269	2,200	
Total personal service obligations.....	55,801,902	63,384,200	66,547,300

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
01 Personal services.....	\$54,880,590	\$57,772,900	\$59,475,500
02 Travel.....	1,838,967	1,987,900	1,991,600
03 Transportation of things.....	247,556	267,100	273,300
04 Communication services.....	447,211	533,400	536,500
05 Rents and utility services.....	531,482	583,000	606,800
06 Printing and reproduction.....	433,105	475,600	483,100
07 Other contractual services.....	1,726,129	2,192,600	2,314,900
Services performed by other agencies.....	1,223,235	1,545,900	1,509,500
08 Supplies and materials.....	3,388,141	3,327,279	3,311,700
09 Equipment.....	1,357,157	1,490,200	1,559,400
10 Lands and structures.....	199,964	190,000	104,000
13 Refunds, awards, and indemnities:			
Awards for employee suggestions.....	1,541	3,300	3,300
Brucellosis indemnities.....	554,505	548,500	548,500
Serapie indemnities.....		40,000	40,000
Tuberculosis indemnities.....	284,473	325,000	325,000
Golden nematode control indemnities.....	28,294	30,000	
Federal tort claims.....	1,410	300	300
15 Taxes and assessments.....	124,747	137,000	145,400
Contingency fund.....		159,000	400,000
Subtotal.....	67,268,507	71,608,979	73,628,800
Deduct charges for quarters and subsistence.....	76,101	77,000	77,000
Total direct obligations.....	67,192,406	71,531,979	73,551,800
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	921,312	5,611,300	7,071,800
02 Travel.....	15,489	105,300	118,500
03 Transportation of things.....	8,181	8,900	10,100
04 Communication services.....	12,283	30,300	26,500
05 Rents and utility services.....	3,198	6,300	4,700
06 Printing and reproduction.....	3,789	65,100	61,000
07 Other contractual services.....	40,326	68,900	73,800
08 Supplies and materials.....	25,258	444,056	113,320
09 Equipment.....	3,506	135,000	29,400
13 Refunds, awards, and indemnities:			
Brucellosis indemnities.....		5,100,000	9,000,000
15 Taxes and assessments.....	1,572	8,600	10,600
Total obligations payable out of reimbursements from other accounts.....	1,034,914	11,583,756	16,519,720
Total obligations.....	68,227,320	83,115,735	90,071,520

ANALYSIS OF EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....			\$10,867,579
Obligations incurred during the year.....		\$82,646,735	90,071,520
Reimbursements.....		82,646,735	100,939,099
Obligated balance carried forward.....		-15,279,156	-20,808,520
Total expenditures.....		-10,867,579	-11,630,579
Total expenditures.....		56,500,000	68,500,000
Expenditures are distributed as follows:			
Out of current authorizations.....		56,500,000	58,500,000
Out of prior authorizations.....			10,000,000

PAYMENTS TO STATES, HAWAII, ALASKA, AND PUERTO RICO

Payments to States, Hawaii, Alaska, and Puerto Rico, Agricultural Research Service

For payments to the States, Hawaii, Alaska, and Puerto Rico to be paid quarterly in advance where applicable, to carry into effect the provisions of the following Acts relating to agricultural experiment stations:

Hatch Act, the Act approved March 2, 1887 (7 U. S. C. 362, 363, 365, 368, 377-379), \$720,000; Adams Act, the Act approved March 16, 1906 (7 U. S. C. 369), \$720,000; Purnell Act, the Act approved February 24, 1925 (7 U. S. C. 361, 366, 370, 371, 373-376, 380, 382), \$2,880,000; Bankhead-Jones Act, title I of the Act approved June 29, 1935 (7 U. S. C. 427-427g), sections 3 and 5, \$2,863,708, and sections 9 and 11 of said Act as added by the Act of August 14, 1946 (7 U. S. C. 427h, 427j), including administration by the Office of Experiment Stations in the United States Department of Agriculture, [\$11,500,000] \$16,800,000, no part of which latter amount shall be used for beginning construction of any building costing in excess of \$15,000; Hawaii, the Act approved May 16, 1928 (7 U. S. C. 386-386b), extending the benefits of certain Acts of Congress to the Territory of Hawaii, \$90,000; Alaska, the Act approved Febru-

ary 23, 1929 (7 U. S. C. 386c), extending the benefits of the Hatch Act to the Territory of Alaska, \$15,000, and the provisions of section 2 of the Act approved June 20, 1936, as amended (7 U. S. C. 369a), extending the benefits of the Adams and Purnell Acts to the Territory of Alaska, \$75,000; Puerto Rico, the Act approved March 4, 1931, as amended (7 U. S. C. 386d-386f), extending the benefits of certain Acts of Congress to Puerto Rico, \$90,000; section 204 (b) of the Agricultural Marketing Act, the Act approved August 14, 1946 (7 U. S. C. 1623), \$500,000; in [all] all, payments to States, Hawaii, Alaska, and Puerto Rico, **[\$19,453,708] \$24,753,708.** (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.*)

Appropriated 1955, **\$19,453,708**

Estimate 1956, **\$24,753,708**

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$13,453,708	\$19,453,708	\$24,753,708
Unobligated balance, estimated savings.....	-16,386		
Obligations incurred.....	13,437,322	19,453,708	24,753,708
Comparative transfer from "Agricultural Marketing Act, Agriculture".....	268,000		
Total obligations.....	13,705,322	19,453,708	24,753,708

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
1. Payments to agricultural experiment stations.....	\$13,526,012	\$19,108,708	\$24,249,708
2. Federal administration under sec. 9 of Bankhead-Jones Act.....	179,310	345,000	504,000
Total obligations.....	13,705,322	19,453,708	24,753,708

PROGRAM AND PERFORMANCE

Funds are allotted to the agricultural experiment stations of the land-grant colleges in the States, Hawaii, Alaska, and Puerto Rico for agricultural research, including investigations and experiments to promote a permanent and efficient agricultural industry and improvements in the rural home and rural life. The allotments are made partly on the basis of prescribed amounts in the authorizing acts and partly on the basis of need in specific areas to find solutions to agricultural problems. The States are contributing about \$5 to \$1 paid by the Federal Government.

The proposed increase is to strengthen the research program at the State, Territorial, and Puerto Rico agricultural experiment stations.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
Total number of permanent positions.....	31	52	72
Full-time equivalent of all other positions.....	1	1	1
Average number of all employees.....	26	47	67
Number of employees end of year.....	32	52	72
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$6,154	\$5,948	\$5,935
Average grade.....	GS-8.5	GS-8.6	GS-8.6
01 Personal services:			
Permanent positions.....	\$150,056	\$274,000	\$390,555
Positions other than permanent.....	2,120	1,900	1,645
Regular pay in excess of 52-week base.....	764	1,200	1,600
Payment above basic rates.....	70	800	1,200
Total personal services.....	153,010	277,900	395,000
02 Travel.....	18,006	31,000	49,000
03 Transportation of things.....	767	1,500	2,500
04 Communication services.....	1,120	1,900	2,500
06 Printing and reproduction.....	4,004	6,000	10,000
07 Other contractual services.....	115	1,300	2,500
Services performed by other agencies.....		18,600	27,000
08 Supplies and materials.....	152	700	3,000
09 Equipment.....	2,008	5,800	12,000

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
11 Grants, subsidies, and contributions:			
Hatch Act, approved Mar. 2, 1887.....	\$719,905	\$720,000	\$720,000
Adams Act, approved Mar. 16, 1906.....	719,848	720,000	720,000
Purnell Act, approved Feb. 24, 1925.....	2,879,355	2,880,000	2,880,000
Bankhead-Jones Act, secs. 3 and 5, title I (act of June 29, 1935).....	2,862,838	2,863,708	2,863,708
Bankhead-Jones Act, secs. 9 and 11, title I, of the act approved June 29, 1935, as amended by the act of Aug. 14, 1946 (Research and Marketing Act of 1946).....	5,807,195	11,155,000	16,296,000
Hawaii Act, approved May 16, 1928.....	90,000	90,000	90,000
Alaska Act, approved Feb. 23, 1929.....	15,000	15,000	15,000
Alaska Act, approved June 20, 1936, as amended by the act of Aug. 29, 1950.....	75,000	75,000	75,000
Puerto Rico Act, approved Mar. 4, 1931.....	88,871	90,000	90,000
Agricultural Marketing Act (title II, sec. 204 (b), approved Aug. 14, 1946.....	268,000	500,000	500,000
15 Taxes and assessments.....	128	300	500
Total obligations.....	13,705,322	19,453,708	24,753,708

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$16,027	\$24,874	\$48,582
Obligations incurred during the year.....	13,437,322	19,453,708	24,753,708
Adjustment in obligations of prior years.....	13,453,349	19,478,582	24,802,290
Obligated balance carried forward.....	-2,396	-48,582	-58,290
Total expenditures.....	13,426,079	19,430,000	24,744,000
Expenditures are distributed as follows:			
Out of current authorizations.....	13,412,457	19,405,500	24,700,000
Out of prior authorizations.....	13,622	24,500	44,000

RESEARCH ON STRATEGIC AND CRITICAL AGRICULTURAL MATERIALS

Research on Strategic and Critical Agricultural Materials, Agricultural Research Service

For expenses necessary to carry out section 7 (b) of the Strategic and Critical Materials Stock Piling Act of July 23, 1946 (50 U. S. C. 98f), **[\$331,500] \$300,000: Provided,** That this appropriation shall be subject to applicable provisions contained in the item "Salaries and expenses, Agricultural Research Service". (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.*)

Appropriated 1955, **\$331,500**

Estimate 1956, **\$300,000**

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$439,500	\$331,500	\$300,000
Reimbursements from other accounts.....	4,900		
Total available for obligation.....	444,400	331,500	300,000
Unobligated balance, estimated savings.....	-3,362		
Obligations incurred.....	441,038	331,500	300,000

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Research on domestic production of natural rubber.....	\$107,498		
2. Investigations of domestic production of vegetable tannins.....	103,570	\$104,000	\$72,500
3. Investigations on vegetable fats and oils.....	114,029	116,000	116,000
4. Investigations on fiber plants.....	111,041	111,500	111,500
Total direct obligations.....	436,138	331,500	300,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. Research on domestic production of natural rubber.....	4,900		
Obligations incurred.....	441,038	331,500	300,000

AGRICULTURAL RESEARCH SERVICE—Continued

RESEARCH ON STRATEGIC AND CRITICAL AGRICULTURAL MATERIALS—continued

Research on Strategic and Critical Agricultural Materials, Agricultural Research Service—Continued

PROGRAM AND PERFORMANCE

On recommendation and approval of the Office of Defense Mobilization, investigations are made of the feasibility of developing domestic sources of supplies of any agricultural material or substitute for it, determined by that Office to be strategic and critical. The proposed decrease is made possible by the expected completion during the fiscal year 1956 of the development of a more flexible method for the extraction of tannins from canaigre roots and the production of an adequate amount of the extract for evaluation purposes.

1. *Research on domestic production of natural rubber.*—Investigations on the production and development of guayule as a source of rubber were discontinued in 1954.

2. *Investigations of domestic production of vegetable tannins.*—These studies aim at domestic production of crops from which materials for tanning leather can be derived, and development of methods of extracting such materials.

3. *Investigations on vegetable fats and oils.*—These studies seek to develop the domestic production of castor beans.

4. *Investigations on fiber plants.*—This work centers on the domestic production of fibers that can be used for such purposes as lines and ropes on naval vessels and as substitutes for jute.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	68	45	43
Full-time equivalent of all other positions.....	18	5	5
Average number of all employees.....	82	48	42
Number of employees at end of year.....	70	46	44
<i>Average salaries and grades:</i>			
General schedule grades:			
Average salary.....	\$4,548	\$4,887	\$4,943
Average grade.....	GS-6.4	GS-7.2	GS-7.3
Ungraded positions: Average salary.....	\$3,431	\$3,693	\$3,699
<i>Personal service obligations:</i>			
Permanent positions.....	\$276,872	\$191,750	\$167,950
Positions other than permanent.....	44,264	23,900	23,900
Regular pay in excess of 52-week base.....	843	650	550
Payment above basic rates.....	65		
Total personal service obligations.....	322,044	216,300	192,400
<i>Direct Obligations</i>			
01 Personal services.....	321,621	216,300	192,400
02 Travel.....	10,514	9,400	9,300
03 Transportation of things.....	6,423	5,400	3,200
04 Communication services.....	1,395	1,100	1,100
05 Rents and utility services.....	16,079	15,000	14,000
06 Printing and reproduction.....	395	800	800
07 Other contractual services.....	23,586	18,100	16,900
Services performed by other agencies.....	11,739	29,500	27,900
08 Supplies and materials.....	26,282	24,700	24,100
09 Equipment.....	16,936	9,900	9,100
10 Lands and structures.....	950		
15 Taxes and assessments.....	1,701	1,300	1,200
Subtotal.....	437,621	331,500	300,000
Deduct charges for quarters and subsistence.....	1,483		
Total direct obligations.....	436,138	331,500	300,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	423		
03 Transportation of things.....	34		
05 Rents and utility services.....	2,075		
07 Other contractual services.....	1,430		
08 Supplies and materials.....	938		
Total obligations payable out of reimbursements from other accounts.....	4,900		
Obligations incurred.....	441,038	331,500	300,000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$84,804	\$42,468	\$28,968
Obligations incurred during the year.....	441,038	331,500	300,000
Adjustment in obligations of prior years.....	525,842	373,968	328,968
Reimbursements.....	-2,951		
Obligated balance carried to certified claims account.....	-4,900		
Obligated balance carried forward.....	-2,053	-28,968	-26,968
Total expenditures.....	473,470	345,000	302,000
Expenditures are distributed as follows:			
Out of current authorizations.....	395,219	305,000	275,000
Out of prior authorizations.....	78,251	40,000	27,000

FOOT-AND-MOUTH AND OTHER CONTAGIOUS DISEASES OF ANIMALS AND POULTRY

Foot-and-Mouth and Other Contagious Diseases of Animals and Poultry, Agricultural Research Service

Eradication activities: For expenses necessary in the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, including the payment of claims growing out of destruction of animals (including poultry) affected by or exposed to, or of materials contaminated by or exposed to, any such disease, when there has been compliance with all lawful quarantine regulations, and for foot-and-mouth disease and rinderpest programs undertaken pursuant to the provisions of the Act of February 28, 1947, and the Act of May 29, 1884, as amended (7 U. S. C. 391; 21 U. S. C. 111-122), including expenses in accordance with section 2 of said Act of February 28, 1947, the Secretary may transfer from other appropriations or funds available to the bureaus, corporations, or agencies of the Department such sums as he may deem necessary, but not to exceed **[\$2,650,000]** **\$2,650,000** for eradication of vesicular exanthema of swine, to be available only in an emergency which threatens the livestock or poultry industry of the country, and any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts: *Provided*, That, except for payments made pursuant to said Act of February 28, 1947, the payment for animals may be made on appraisement based on the meat, egg-production, dairy, or breeding value, but in case of appraisement based on breeding value no appraisement of any animal shall exceed three times its meat, egg-production, or dairy value and, except in case of an extraordinary emergency to be determined by the Secretary, the payment by the United States shall not exceed one-half of any such appraisements: *Provided further*, That this appropriation shall be subject to applicable provisions contained in the item "Salaries and expenses, Agricultural Research Service".

Research: For expenses necessary for research authorized by the Act of April 24, 1948 (21 U. S. C. 113a), \$1,900,000. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.*)

Appropriated 1955, **\$1,900,000**

Estimate 1956, **\$1,900,000**

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....		\$1,900,000	\$1,900,000
Reappropriation of prior year balance.....	\$652,207	1,212,252	
Unobligated balance transferred, pursuant to 67 Stat. 223 and Public Law 437, from—			
"Agricultural conservation program, Agriculture".....	2,172,134	1,197,481	
"Grants, farm housing, Farmers' Home Administration, Department of Agriculture".....	122,252	500	
Reimbursements from Commodity Credit Corporation—loans.....	5,650,000		
Total available for obligation.....	8,596,593	4,310,233	1,900,000
Balance reappropriated for subsequent year.....	-1,212,252		
Obligations incurred.....	7,384,341	4,310,233	1,900,000

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
1. Eradication activities:			
(a) Eradication of foot-and-mouth disease	\$5,782,417	\$160,233	-----
(b) Eradication of vesicular exanthema of swine	1,597,981	2,250,000	-----
(c) Eradication of scrapie of sheep	3,943	-----	-----
2. Research	-----	1,900,000	\$1,900,000
Obligations incurred	7,384,341	4,310,233	1,900,000

PROGRAM AND PERFORMANCE

This item provides for research and eradication of foot-and-mouth and other contagious diseases of animals and poultry.

1. *Eradication activities.*—In May 1953, a new outbreak of foot-and-mouth disease occurred in Mexico. Due to the unpredictable course of the disease, the Department has been authorized to transfer needed amounts from any funds available to it. Replacements of these transfers have been made from subsequent appropriations and by canceling notes issued by the Commodity Credit Corporation to the Secretary of the Treasury.

On August 1, 1952, an emergency was declared as the result of the spread of vesicular exanthema of swine. Cooperative measures have been undertaken to eradicate the disease. Chief means of spread of the disease is through feeding of uncooked garbage. To further eradication efforts, 42 States now have laws or regulations requiring the cooking of garbage fed to swine.

On October 31, 1952, an emergency was declared as the result of the diagnosis of scrapie in California. This destructive virus disease was also diagnosed in Connecticut, Illinois, Indiana, Michigan, New York, Ohio, and Oregon. On December 17, 1954, the emergency was terminated, since no further cases of the disease are known in the United States.

Funds for carrying out the eradication of vesicular exanthema and scrapie have been made available from other appropriations of the Department.

2. *Research.*—Foot-and-mouth disease research is being initiated in fiscal year 1955 on Plum Island, N. Y., in facilities made available to the Department of Agriculture by the Department of the Army. Research on this disease was authorized by the act of April 24, 1948 (21 U. S. C. 113a). Pending completion of the new facilities which are now under construction on Plum Island, the current research program is limited in scope.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
Total number of permanent positions	600	901	239
Full-time equivalent of all other positions	1	1	1
Average number of all employees	447	525	228
Number of employees at end of year	499	567	240
Average salaries and grades:			
General schedule grades:			
Average salary	\$4,361	\$4,162	\$4,013
Average grade	GS-6.9	GS-6.2	GS-5.2
Salaries established by the act of Apr. 24, 1948 (21 U. S. C. 113a): Average salary	-----	\$15,000	\$15,000
Ungraded positions: Average salary	\$3,410	\$3,397	\$3,376
01 Personal services:			
Permanent positions	\$1,873,992	\$2,063,571	\$882,500
Positions other than permanent	1,396	3,000	1,500
Regular pay in excess of 52-week base	8,240	8,600	3,600
Payment above basic rates	202,287	75,500	51,700
Total personal services	2,085,915	2,150,671	939,300
02 Travel	451,978	300,000	20,000
03 Transportation of things	47,017	59,800	57,500
04 Communication services	13,169	24,700	14,500

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
05 Rents and utility services	\$1,783	\$41,600	\$41,000
06 Printing and reproduction	3,257	5,300	300
07 Other contractual services	123,939	235,900	125,800
Services performed by other agencies	353,687	424,100	102,200
08 Supplies and materials	79,826	588,362	575,100
09 Equipment	417,067	145,400	20,000
13 Refunds, awards, and indemnities:			
Payments to Mexican-United States Commission for the eradication and prevention of foot-and-mouth disease	3,520,236	70,000	-----
Vesicular exanthema	255,089	250,000	-----
Scrapie of sheep	3,943	-----	-----
Federal tort claims	229	-----	-----
15 Taxes and assessments	27,206	22,500	12,700
Subtotal	7,384,341	4,318,633	1,908,400
Deduct charges for quarters and subsistence	-----	8,400	8,400
Obligations incurred	7,384,341	4,310,233	1,900,000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward	\$1,124,185	\$425,545	\$485,778
Obligations incurred during the year	7,384,341	4,310,233	1,900,000
	8,508,526	4,735,778	2,385,778
Adjustment in obligations of prior years	-168,504	-----	-----
Reimbursements from Commodity Credit Corporation	-5,650,000	-----	-----
Obligated balance carried forward	-425,545	-485,778	-185,778
Total expenditures	2,264,477	4,250,000	2,200,000
Expenditures are distributed as follows:			
Out of current authorizations	2,087,451	3,850,000	1,750,000
Out of prior authorizations	177,026	400,000	450,000

REPAYMENT TO COMMODITY CREDIT CORPORATION

Repayment to Commodity Credit Corporation for Eradication of Foot-and-Mouth and Other Contagious Diseases of Animals and Poultry, Agricultural Research Service

For reimbursement to Commodity Credit Corporation for sums transferred to the appropriation "Eradication of foot-and-mouth and other contagious diseases of animals and poultry", fiscal year 1954 (including interest thereon through June 30, 1955), pursuant to authority contained under such head in the Department of Agriculture Appropriation Act, 1954, \$5,788,897.

Estimate 1956, \$5,788,897

AMOUNTS AVAILABLE FOR OBLIGATION

Appropriation or estimate (obligations incurred)—1956, \$5,788,897.

OBLIGATIONS BY ACTIVITIES

Reimbursement for costs incurred in prior fiscal years for eradication of foot-and-mouth and other contagious diseases of animals and poultry—1956, \$5,788,897.

PROGRAM AND PERFORMANCE

The Department of Agriculture Appropriation Act, 1954, authorized the Secretary of Agriculture to transfer from other appropriations or funds available to the Department such sums as he deemed necessary for the eradication of foot-and-mouth and other contagious diseases of animals and poultry. Pursuant to this authorization funds for the eradication of foot-and-mouth disease in fiscal year 1954 were advanced from the Commodity Credit Corporation. This appropriation request is for repaying this advance.

OBLIGATIONS BY OBJECTS

11 Grants, subsidies, and contributions: Repayment to Commodity Credit Corporation—1956, \$5,788,897.

ANALYSIS OF EXPENDITURES

Obligations incurred during the year (total expenditures out of current authorizations)—1956, \$5,788,897.

AGRICULTURAL RESEARCH SERVICE—Continued

Miscellaneous

Research Facilities, Agricultural Research Service

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663, except for allocation to Department of the Army)

	1954 actual	1955 estimate	1956 estimate
Unobligated balance brought forward.....	\$9,949,901	\$2,055,571	\$38,525
Recovery of prior year obligations.....	1,125		
Total available.....	9,951,026	2,055,571	38,525
Unobligated balance carried forward.....	-2,055,571	-38,525	
Obligations incurred.....	7,895,455	2,017,046	38,525

OBLIGATIONS BY ACTIVITIES

Facilities for research on foot-and-mouth and other diseases of animals—1954, \$7,895,455; 1955, \$2,017,046; 1956, \$38,525.

PROGRAM AND PERFORMANCE

The Urgent Deficiency Appropriation Act, 1952, provided \$10 million for a laboratory and related research facilities for investigation of foot-and-mouth and other animal diseases. An unobligated balance of \$456,823 for plans and specifications provided by the Second Deficiency Appropriation Act, 1949, is also available. A contract for the construction of the research facilities was awarded in June 1954.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
AGRICULTURAL RESEARCH SERVICE			
Total number of permanent positions.....	7		
Average number of all employees.....	4	1	
Number of employees at end of year.....	2	2	
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,548		
Average grade.....	GS-8.2		
Salaries established by the act of Apr. 24, 1948 (21 U. S. C. 113a): Average salary.....	\$15,000		
01 Personal services:			
Permanent positions.....	\$33,968	\$15,000	
Regular pay in excess of 52-week base.....	95		
Total personal services.....	34,063	15,000	
02 Travel.....	5,058	1,000	
03 Transportation of things.....	403	400	
04 Communication services.....	109	100	
05 Rents and utility services.....	1,200		
06 Printing and reproduction.....	213		
07 Other contractual services.....	1,952	508,722	
08 Supplies and materials.....	39,347	30,000	\$3,525
09 Equipment.....	45,268	403,500	
10 Lands and structures.....	7,712,000	708,000	35,000
15 Taxes and assessments.....	11		
Obligations incurred.....	7,839,624	1,666,722	38,525
ALLOCATION TO DEPARTMENT OF THE ARMY			
Total number of permanent positions.....	1	1	
Average number of all employees.....	1	1	
Number of employees at end of year.....	1	1	
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$7,640	\$7,640	
Average grade.....	GS-12.0	GS-12.0	
01 Personal services:			
Permanent positions.....	\$7,487	\$7,372	
Regular pay in excess of 52-week base.....	29	28	
Total personal services.....	7,516	7,400	
02 Travel.....	357	350	
04 Communication services.....	165	750	
07 Other contractual services.....	47,793	341,824	
Obligations incurred.....	55,831	350,324	
SUMMARY			
Total number of permanent positions.....	8	1	
Average number of all employees.....	5	2	
Number of employees at end of year.....	3	3	

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
SUMMARY—continued			
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,897	\$7,640	
Average grade.....	GS-8.8	GS-12.0	
Salaries established by the act of Apr. 24, 1948 (21 U. S. C. 113a): Average salary.....	\$15,000		
01 Personal services:			
Permanent positions.....	\$41,455	\$22,372	
Regular pay in excess of 52-week base.....	124	28	
Total personal services.....	41,579	22,400	
02 Travel.....	5,415	1,350	
03 Transportation of things.....	403	400	
04 Communication services.....	274	850	
05 Rents and utility services.....	1,200		
06 Printing and reproduction.....	213		
07 Other contractual services.....	49,745	850,546	
08 Supplies and materials.....	39,347	30,000	\$3,525
09 Equipment.....	45,268	403,500	
10 Lands and structures.....	7,712,000	708,000	35,000
15 Taxes and assessments.....	11		
Obligations incurred.....	7,895,455	2,017,046	38,525

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663, except for allocation to Department of the Army)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$418,584	\$7,818,005	\$4,785,051
Obligations incurred during the year.....	7,895,455	2,017,046	38,525
Adjustment in obligations of prior years.....	-1,125	9,835,051	4,823,576
Obligated balance carried forward.....	-7,818,005	-4,785,051	
Total expenditures (out of prior authorizations).....	494,909	5,050,000	4,823,576

Allotments and Allocations, Received From Other Appropriation Accounts

NOTE.—Obligations incurred under allotments and allocations from other appropriations are shown in the schedules of the parent appropriations as follows:

- "Flood prevention, Soil Conservation Service."
- "Watershed protection, Soil Conservation Service."
- "Marketing research and service, Agricultural Marketing Service."
- "School lunch program, Agricultural Marketing Service."
- "Research and development, Army."
- "Military personnel, Army."
- "Maintenance and operations, Army."
- "Research and development, Air Force."
- "Medical care, Navy."
- "Procurement and production, Army."
- "Operating expenses, Atomic Energy Commission."
- "Construction and rehabilitation, Bureau of Reclamation."
- "Indian moneys, proceeds of labor, agencies, schools, etc."
- "United States dollars advanced from foreign governments, United States information and educational exchange program, Department of State."
- "Technical cooperation, general, executive."

EXTENSION SERVICE

INTRODUCTORY STATEMENT

Extension work is a joint undertaking of the U. S. Department of Agriculture, the State land-grant colleges, and counties and municipalities. It brings to rural people and others, as appropriate, the results of research conducted by the Department, the colleges and other agencies. Its objective is to help people help themselves to attain greater efficiency in farming, in marketing and in distribution, and to have better homes and higher standards of living.

PAYMENTS TO STATES, HAWAII, ALASKA, AND PUERTO RICO

Payments to States, Hawaii, Alaska, and Puerto Rico, Extension Service

For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953 (Public Law 83), [\$38,662,000; under section 5, Clarke-McNary Act (16 U. S. C. 568-568a), \$88,000] \$44,155,000; and payments and contracts for such work under section 204 (b)-205 of the Agricultural Marketing Act of 1946 (7 U. S. C. 1623-1624), [\$925,000] \$1,320,000; in all, [\$39,675,000] \$45,475,000: *Provided*, That funds hereby appropriated pursuant to section 3 (c) of the Act of June 26,

1953 (Public Law 83) shall not be paid to any State, Hawaii, Alaska, or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.*)

Appropriated 1955, **\$39,675,000**

Estimate 1956, **\$45,475,000**

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$27,165,956	\$39,675,000	\$45,475,000
Reimbursements from non-Federal sources.....	211		
Reimbursements from other accounts.....	8,977		
Total available for obligation.....	27,175,144	39,675,000	45,475,000
Unobligated balance, estimated savings.....	-3,895		
Obligations incurred.....	27,171,249	39,675,000	45,475,000
Comparative transfer from—			
“Agricultural Marketing Act, Agriculture”.....	535,000		
“State and private forestry cooperation, Forest Service”.....	87,865		
“Cooperative agricultural extension work, Extension Service”.....	4,711,200		
Comparative transfer to “Salaries and expenses, Federal Extension Service”:			
Direct appropriation.....	-243,982		
Reimbursements from non-Federal sources.....	-211		
Reimbursements from other accounts.....	-8,977		
Total obligations.....	32,252,144	39,675,000	45,475,000

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of personal property (40 U. S. C. 481 (c)).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
1. Payments for cooperative agricultural extension work under Smith-Lever Act of May 8, 1914, as amended by the act of June 26, 1953 (Public Law 83).....	\$31,597,279	\$38,662,000	\$44,155,000
2. Payments for cooperation in farm forestry extension work under section 5 of act of June 7, 1924, (Clarke-McNary Act, as amended by the act of October 26, 1949 (16 U. S. C. 568)).....	87,865	88,000	
3. Payments and contracts under section 204b-205 of the Agricultural Marketing Act of 1946 (7 U. S. C. 1623-1624).....	535,600	925,000	1,320,000
4. Payments for assistance in farm housing under title V, section 506a, of the Housing Act of 1949 (42 U. S. C. 1476).....	32,000		
Total obligations.....	32,252,144	39,675,000	45,475,000

PROGRAM AND PERFORMANCE

Funds are distributed to each State, Alaska, Puerto Rico, and Hawaii, on the basis of formulas stipulated in the governing acts. The costs of cooperative extension work are currently shared as follows: Federal appropriations, 39.4 percent; State appropriations, 35.8 percent; county appropriations, 22.3 percent; and other local sources, 2.5 percent.

The funds are used within the States for the employment of county agents, county home demonstration agents, county 4-H Club agents, specialists, and other staff members who make available to rural people and interpret for them the results of agricultural and home economic research and related information and provide information on, and assist in the implementation of, other programs of the Department of Agriculture. Thus, extension agents work directly with farm families and help them solve a large variety of farm and home problems, assist them in making use of the various agricultural programs, and advise on the application of improved methods of production, marketing, and family living. Work with youth, largely through 4-H Clubs which now have an enrollment of over 2,000,000, includes both agriculture and home economics and, in addition, training in leader-

ship development and citizenship responsibilities. Extension specialists and other State staff members are primarily responsible for developing educational materials and training and assisting county extension agents in conducting effective educational programs with farm families.

Funds are also distributed to the States, Hawaii, Alaska, and Puerto Rico on a matching basis under approved projects for educational work applicable to the marketing and distribution of agricultural products.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
07 Other contractual services.....	\$91,000	\$125,000	\$180,000
11 Grants, subsidies, and contributions.....	32,161,144	39,550,000	45,295,000
Total obligations.....	32,252,144	39,675,000	45,475,000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$167,528	\$121,144	\$246,144
Obligations incurred during the year.....	27,171,249	39,675,000	45,475,000
Adjustment in obligations of prior years.....	27,338,777	39,796,144	45,721,144
Reimbursements.....	-146,240		
Obligated balance carried forward.....	-9,188	-246,144	-274,144
Total expenditures.....	-121,144		
Expenditures are distributed as follows:	27,062,205	39,550,000	45,447,000
Out of current authorizations.....	27,041,037	39,429,825	45,234,000
Out of prior authorizations.....	21,168	120,175	213,000

FEDERAL EXTENSION SERVICE

Salaries and Expenses, Federal Extension Service

Administration and coordination: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953 (Public Law 83), [section 5 of the Clarke-McNary Act (16 U. S. C. 568-568a)], and extension aspects of the Agricultural Marketing Act of 1946 (7 U. S. C. 1621-1627), and to coordinate and provide program leadership for the extension work of the Department and the several States, Territories, and insular possessions, **[\$1,925,000]** \$1,920,000.

Penalty mail: For costs of penalty mail for cooperative extension agents, \$1,942,500. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.*)

Appropriated 1955, **\$3,867,500**

Estimate 1956, **\$3,862,500**

* Excludes \$5,000 for activities transferred in the estimates to “Salaries and expenses, Office of Information, Agriculture.” The amounts obligated in 1954 and 1955 are shown in the schedule as comparative transfers.

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....		\$3,867,500	\$3,862,500
Reimbursements from other accounts.....		3,624	3,624
Obligations incurred.....		3,871,124	3,866,124
Comparative transfer from—			
“Salaries and expenses, Extension Service”:			
Direct appropriation.....	\$2,092,907		
Reimbursements from non-Federal sources.....	366		
Reimbursements from other accounts.....	105		
“Payments to States, Hawaii, Alaska, and Puerto Rico, Extension Service”:			
Direct appropriation.....	243,982		
Reimbursements from non-Federal sources.....	211		
Reimbursements from other accounts.....	8,977		
“Agricultural Marketing Act, Agriculture”.....	96,104		
“State and private forestry cooperation, Forest Service”.....	20,977		
“Salaries and expenses, Farmer Cooperative Service”.....	2,000		
“Salaries and expenses, Rural Electrification Administration”.....	11,062		
“Conservation operations, Soil Conservation Service”.....	25,055		
“Salaries and expenses, Bureau of Animal Industry, Agricultural Research Administration”.....	1,800		

EXTENSION SERVICE—Continued**FEDERAL EXTENSION SERVICE—continued****Salaries and Expenses, Federal Extension Service—Continued****AMOUNTS AVAILABLE FOR OBLIGATION—continued**

	1954 actual	1955 estimate	1956 estimate
Comparative transfer from—Continued			
“Salaries and expenses, Bureau of Entomology and Plant Quarantine, Agricultural Research Administration”	\$3,785	-----	-----
“Salaries and expenses, Bureau of Plant Industry, Soils, and Agricultural Engineering, Agricultural Research Administration”	25,000	-----	-----
Comparative transfer to “Salaries and expenses, Office of Information, Agriculture”	-4,975	-\$5,000	-----
Total obligations -----	2,527,357	3,866,124	\$3,866,124

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of personal property (40 U. S. C. 481 (c)).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Coordination, administration, and program leadership of cooperative extension work	\$1,302,009	\$1,920,000	\$1,920,000
2. Penalty mail for cooperative extension agents	1,215,688	1,942,500	1,942,500
3. Obligations payable from reimbursements from non-Federal sources	577	-----	-----
Total direct obligations -----	2,518,274	3,862,500	3,862,500
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. Coordination, administration, and program leadership of cooperative extension work	9,083	3,624	3,624
Total obligations -----	2,527,357	3,866,124	3,866,124

PROGRAM AND PERFORMANCE

The Federal Extension Service provides administrative, policy and program leadership for a nationwide system of extension education in agriculture and home economics conducted in cooperation with the Extension Services of the States and Territories. Assistance is provided to the States with respect to (1) overall policies and relationships, (2) program development and adjustment in line with changing conditions and new technology, (3) organization of staff and work for most efficient use of resources available, (4) evaluation of methods and procedures used and results obtained, and (5) in-service training for extension personnel.

The Service provides counsel and assistance to the States in adjusting programs, in inaugurating new programs to meet changing economic conditions and new technology, and in developing uniform programs on an area basis involving several States where the need exists. It provides for an exchange of research findings and program information among States, and between the Department, other research agencies, and the States to insure full availability and incorporation into the State educational programs. The latest information is furnished the States regarding the programs of the Department of direct significance to farm people.

Assistance is provided in developing agreements with States covering programs of work and with State budgets, projects and the annual plans of work; funds are allocated to individual States; and State expenditures are examined for compliance with requirements of law. Visual and informational aids are developed and made available to

the States and counties. They are assisted and trained in developing and using teaching aids and more effective teaching methods, and are provided with other types of direct program and procedural help.

This item also includes funds to cover the costs of penalty mailings of the cooperative extension agents in the States.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Summary of Personal Services</i>			
Total number of permanent positions	209	292	284
Full-time equivalent of all other positions	2	1	1
Average number of all employees	191	271	270
Number of employees at end of year	194	285	278
Average salaries and grades:			
General schedule grades:			
Average salary	\$5,625	\$5,752	\$5,808
Average grade	GS-7.9	GS-8.2	GS-8.3
Ungraded positions: Average salary	\$4,917	\$6,589	\$5,969
Personal service obligations:			
Permanent positions	\$1,066,554	\$1,539,562	\$1,555,905
Positions other than permanent	4,687	3,084	2,494
Regular pay in excess of 52-week base	3,972	5,901	5,807
Payments above basic rates	1,153	-----	-----
Other payments for personal services	1,742	-----	-----
Total personal service obligations -----	1,078,108	1,548,547	1,564,206
<i>Direct Obligations</i>			
01 Personal services	1,069,067	1,544,973	1,560,632
02 Travel	121,362	188,000	188,000
03 Transportation of things	27,032	32,000	32,000
04 Communication services	15,372	21,000	21,000
Penalty mail for cooperative agents	1,215,688	1,942,500	1,942,500
05 Rents and utility services	354	500	500
06 Printing and reproduction	45,048	66,175	63,175
07 Other contractual services	3,396	11,577	11,112
Services performed by other agencies	3,036	25,000	20,000
08 Supplies and materials	8,868	12,675	12,581
09 Equipment	8,175	17,100	10,000
15 Taxes and assessments	876	1,000	1,000
Total direct obligations -----	2,518,274	3,862,500	3,862,500
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services	9,041	3,574	3,574
15 Taxes and assessments	42	50	50
Total obligations payable out of reimbursements from other accounts -----	9,083	3,624	3,624
Total obligations -----	2,527,357	3,866,124	3,866,124

ANALYSIS OF EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Obligated balances brought forward	-----	-----	\$652,460
Obligations incurred during the year	-----	\$3,871,124	3,866,124
Reimbursements	-----	3,871,124	4,518,584
Obligated balance carried forward	-----	-3,624	-3,624
Total expenditures -----	-----	3,215,040	3,859,500
Expenditures are distributed as follows:			
Out of current authorizations	-----	3,215,040	3,255,000
Out of prior authorizations	-----	-----	604,500

Miscellaneous**Salaries and Expenses, Extension Service****AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate	\$920,000	-----	-----
Transferred, pursuant to Public Law 286, from—			
“Salaries and expenses, Office of Experiment Stations, Agricultural Research Administration”	10,250	-----	-----
“Virgin Islands agricultural program, Office of Experiment Stations, Agricultural Research Administration”	4,820	-----	-----

AMOUNTS AVAILABLE FOR OBLIGATION—continued

	1954 actual	1955 estimate	1956 estimate
Transferred, pursuant to Public Law 286, from—Continued			
“Salaries and expenses, Bureau of Dairy Industry, Agricultural Research Administration”	\$3,200		
“Control of forest pests, Agriculture”	13,646		
“Salaries and expenses, Commodity Exchange Authority”	7,727		
“Salaries and expenses, Farmers’ Home Administration”	833,000		
“Removal of surplus agricultural commodities”	812,357		
Adjusted appropriation or estimate	2,605,000		
Reimbursements from non-Federal sources	366		
Reimbursements from other accounts	106		
Total available for obligation	2,605,472		
Unobligated balance, estimated savings	—512,093		
Obligations incurred	2,093,379		
Comparative transfer to “Salaries and expenses, Federal Extension Service”:			
Direct appropriation	—2,092,907		
Reimbursements from non-Federal sources	—366		
Reimbursements from other accounts	—106		
Total obligations			

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of personal property (40 U. S. C. 481 (c)).

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balances brought forward	\$77,217	\$88,147	\$1,500
Adjustment in obligations of prior years	471		
Obligations incurred during the year	2,093,379		
Reimbursements	2,171,067	88,147	1,500
Obligated balance carried forward	—88,147	—1,500	
Total expenditures	2,082,448	86,647	1,500
Expenditures are distributed as follows:			
Out of current authorizations	2,006,203		
Out of prior authorizations	76,245	86,647	1,500

Allotments and Allocations Received From Other Appropriation Accounts

NOTE.—Obligations incurred under allotments and allocations from other appropriations are shown in the schedules of the parent appropriations, as follows:
 “Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture.”
 “Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938.”
 “Mutual security, funds appropriated to the President.”

FARMER COOPERATIVE SERVICE

Salaries and Expenses, Farmer Cooperative Service

For necessary expenses to carry out the Act of July 2, 1926 (7 U. S. C. 451–457), \$408,000. (Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

Appropriated 1955, \$408,000 Estimate 1956, \$408,000

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate	\$410,000	\$408,000	\$408,000
Unobligated balance transferred to “Administrative expenses, Farm Credit Administration” (reimbursements), pursuant to Public Law 202	—13,590		
Reimbursements from non-Federal sources	712		
Reimbursements from other accounts	17,177		
Total available for obligation	414,299	408,000	408,000
Unobligated balance, estimated savings	—9,836		
Obligations incurred	404,463	408,000	408,000
Comparative transfer to “Salaries and expenses, Federal Extension Service”	—2,000		
Total obligations	402,463	408,000	408,000

NOTE.—Reimbursements from non-Federal sources above are from refund of terminal leave payments (5 U. S. C. 61b).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
Research and technical assistance for farmers’ cooperatives	\$398,876	\$408,000	\$408,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
Research and technical assistance for farmers’ cooperatives	3,587		
Total obligations	402,463	408,000	408,000

PROGRAM AND PERFORMANCE

The Farmer Cooperative Service performs research and service work of assistance to farmers’ marketing, purchasing, and service cooperatives. The work relates to problems of management, financing, organization, policies, merchandising, product quality improvement, costs, efficiency, and membership. Much of this work is carried out in cooperation with the Extension Service, land-grant colleges, and other Federal-State agencies.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Summary of Personal Services</i>			
Total number of permanent positions	67	60	60
Average number of all employees	56	57	56
Number of employees at end of year	56	56	56
Average salaries and grades:			
General schedule grades:			
Average salary	\$5,794	\$5,699	\$5,750
Average grade	GS-8.4	GS-8.2	GS-8.2
Personal service obligations:			
Permanent positions	\$321,654	\$323,750	\$323,750
Regular pay in excess of 52-week base	1,246	1,250	1,250
Payment above basic rates	257		
Total personal service obligations	323,157	325,000	325,000
<i>Direct Obligations</i>			
01 Personal services	319,570	325,000	325,000
02 Travel	24,086	31,900	31,700
03 Transportation of things	674	800	800
04 Communication services	10,523	9,500	9,500
05 Rents and utility services	547		
06 Printing and reproduction	32,683	34,100	34,100
07 Other contractual services	879	1,800	2,000
Services performed by other agencies	2,234	1,000	1,000
08 Supplies and materials	2,913	2,600	2,600
09 Equipment	4,134	900	900
15 Taxes and assessments	633	400	400
Total direct obligations	398,876	408,000	408,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services	3,587		
Total obligations	402,463	408,000	408,000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward	\$49,800	\$41,651	\$45,651
Adjustment in obligations of prior years	209,513		
Obligations incurred during the year	404,463	408,000	408,000
Reimbursements	663,776	449,651	453,651
Obligated balance carried to certified claims account	—17,889		
Obligated balance carried forward	—41,651	—45,651	—46,651
Total expenditures	604,231	404,000	407,000
Expenditures are distributed as follows:			
Out of current authorizations	344,996	363,000	364,000
Out of prior authorizations	259,235	41,000	43,000

Miscellaneous

Allocations Received From Other Appropriation Accounts

NOTE.—Obligations incurred under allocations from other appropriations are shown in the schedules of the parent appropriation as follows:
 “Marketing research and service, Agricultural Marketing Service.”
 “Mutual security, funds appropriated to the President.”

FOREST SERVICE

INTRODUCTORY STATEMENT

The Service carries on three primary functions: (1) Protection, development, and use of more than 181,000,000 acres of land in national forests in the United States, Alaska, and Puerto Rico; and the management of land utilization projects covering about 7,000,000 acres; (2) cooperation with the States and private forest landowners to obtain better fire protection on approximately 427,000,000 acres of forest lands and better forest practices on about 345,000,000 acres of privately owned commercial timber lands, to encourage reforestation, and to stimulate development and management of State, county, and community forests; and (3) forest research and range management research for all forest lands and related ranges to bring about better protection from fire, insects, and diseases; to increase productivity, and to facilitate full utilization of forest, water, and range resources, and more profitable production of timber and forage. Included in these three primary functions are construction and maintenance of roads and trails, control of forest pests, protection against floods, land exchange, and a number of cooperative projects.

SALARIES AND EXPENSES

Salaries and Expenses, Forest Service

For expenses necessary, including not to exceed \$15,000 for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), including travel expenses of advisory councils or similar groups; to experiment and make investigations and report on forestry, national forests, forest fires, forest insects and diseases, and lumbering; to advise the owners of woodlands as to the proper care of the same; to investigate and test American timber and timber trees and their uses, and methods, for the preservative treatment of timber; to seek, through investigations and the planting of native and foreign species, suitable trees for the treeless regions; [to erect necessary buildings: *Provided*, That the cost of any building purchased, erected, or as improved, exclusive of the cost of constructing a water-supply or sanitary system and of connecting the same with any such building, and exclusive of the cost of any tower upon which a lookout house may be erected, shall not exceed \$18,500 (\$22,500 in Alaska) with the exception that any building erected, purchased, or acquired, the cost of which was \$18,500 or more, may be improved out of the appropriations made under this Act for the Forest Service by an amount not to exceed 2 per centum of the cost of such building;] to protect, administer, and improve the national forests, including tree planting and other measures to prevent erosion, drift, surface wash, soil waste, and the formation of floods, and to conserve water; to ascertain the natural conditions upon and utilize the national forests, to transport and care for fish and game supplied to stock the national forests or the waters therein; for management of lands acquired under the land utilization program; and to collate, digest, report, and illustrate the results of experiments and investigations made by the Forest Service: *Provided* [further], That the appropriations available to the Forest Service for the current fiscal year may be used for the operation and maintenance of aircraft, and the purchase of not to exceed four (for replacement only), uniforms, or allowances therefor, as authorized by the Act of September 1, 1954 (68 Stat. 1114); the purchase, erection, and alteration of buildings and other public improvements, but the cost of any building purchased, erected, or as improved, exclusive of the cost of constructing a water-supply or sanitary system and of connecting the same with any such building, and exclusive of the cost of any tower upon which a lookout house may be erected, shall not exceed \$18,500 (\$22,500 in Alaska) with the exception that any building erected, purchased, or acquired, the cost of which was \$18,500 or more, may be improved out of the appropriations available to the Forest Service within any fiscal year by an amount not to exceed 2 per centum of the cost of such building, and not to exceed \$250,000 of such appropriations may be used for the maintenance, improvement, and construction of aircraft landing fields in, or adjacent to, the national forests, as follows:

National forest protection and management: For the administration, protection, use, maintenance, improvement, and development of the national forests, including the establishment and maintenance of forest tree nurseries, including the procurement of tree seed and

nursery stock by purchase, production, or otherwise, seeding and tree planting and the care of plantations and young growth; the maintenance of roads and trails and the construction and maintenance of all other improvements necessary for the proper and economical administration, protection, development, and use of the national forests, including experimental areas under Forest Service administration [except that where direct purchases will be more economical than construction, improvements may be purchased]; the construction (not to exceed \$18,500 for any one structure), equipment, and maintenance of sanitary and recreational facilities; timber cultural operations; development and application of fish and game management plans; propagation and transplanting of plants suitable for planting on semiarid portions of the national forests; estimating and appraising of timber and other resources and development and application of plans for their effective management, sale, and use; expenses of the National Forest Reservation Commission as authorized by section 14 of the Act of March 1, 1911 (16 U. S. C. 514); examination, classification, surveying, and appraisal of land incident to effecting exchanges authorized by law and of lands within the boundaries of the national forests that may be opened to homestead settlement and entry under the Act of June 11, 1906, and the Act of August 10, 1912 (16 U. S. C. 506-509), as provided by the Act of March 4, 1913 (16 U. S. C. 512); investigation and establishment of water rights, including the purchase thereof or of lands or interests in lands or rights-of-way for use and protection of water rights necessary or beneficial in connection with the administration and public use of the national forests; not to exceed \$100,000 for the purchase of parcels of land and interests therein in Sanders County, Montana, but such land shall not be acquired without the approval of the local government concerned; and all expenses necessary for the use, maintenance, improvement, protection, and general administration of the national forests, and for the management of lands under title III of the Act of July 22, 1937, and the Act of August 11, 1945 (7 U. S. C. 1010-1012); [\$30,490,200] \$32,411,500; *Provided*, That the Secretary may sell at market value any property located in Yalobusha, Chickasaw, and Pontotoc counties, Mississippi, administered under title III of the Act of July 22, 1937, and suitable for return to private ownership under such terms and conditions as would not conflict with the purposes of said Act.

Fighting forest fires: For fighting and preventing forest fires on or threatening lands under Forest Service administration, including lands under contract for purchase or in process of condemnation for Forest Service purposes, and for liquidation of obligations incurred in the preceding fiscal year for such purpose, [\$6,000,000] \$5,250,000, of which [\$2,500,000] \$1,750,000 shall be apportioned for use, pursuant to section 3679 of the Revised Statutes, as amended, to the extent necessary to meet emergency conditions.

Control of forest pests: For the control of white pine blister rust pursuant to the Act of April 26, 1940 (16 U. S. C. 594a), including the development and testing of new control methods, \$2,570,000, of which [\$360,000] \$355,000 shall be available to the Department of the Interior for the control of white pine blister rust on or endangering Federal lands under the jurisdiction of that Department or lands of Indian tribes which are under the jurisdiction of or retained under restrictions of the United States; and for carrying out the Forest Pest Control Act (16 U. S. C., Supp. V, 594-1-594-5), \$2,367,500, of which \$1,967,500 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the purposes of said Act to the extent necessary under the then existing conditions; \$4,937,500.

Forest research: For forest research at forest or range experiment stations, the Forest Products Laboratory, or elsewhere, in accordance with the provisions of sections 1, 2, 3, 4, 7, 8, 9, and 10 of the Act approved May 22, 1928, as amended (16 U. S. C. 581, 581a-581e, 581f-581i), including the construction and maintenance of improvements; fire, silvicultural, watershed, forest insects and diseases, and other forest investigations and experiments; investigations and experiments to develop improved methods of management of forest and related ranges; experiments, investigations, and tests of forest products; marketing research and service on timber and timber products; a comprehensive forest survey; and investigations in forest economics; [\$6,538,500] \$7,254,000; *Provided*, That funds may be advanced to cooperators under such regulations as the Secretary may prescribe when such action will stimulate or facilitate cooperative work. (5 U. S. C. 511-512, 524, 565a; 7 U. S. C. 1621-1627; 16 U. S. C. 471-583i; 31 U. S. C. 534; Act of June 20, 1910, Public Law 219; Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

Appropriated 1955, ^a \$48,721,200 Estimate 1956, ^b \$49,853,000

^a Includes \$755,000 appropriated in Supplemental Appropriation Act, 1955.

^b Includes \$10,500 for activities previously carried under "Research and development, Army," and excludes \$203,700 for activities transferred in the estimates to the following appropriations:

"Flood prevention, Soil Conservation Service".....	\$200,000
"Salaries and expenses, Office of Information, Agriculture".....	3,700

The amounts obligated in 1954 and 1955 are shown in the schedule as comparative transfers.

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$45,565,700	\$48,721,200	\$49,853,000
Unobligated balance transferred from "Acquisition of lands and construction of improvements, Coronado National Forest, Department of Agriculture," pursuant to Public Law 286.....	16,173		
Reimbursements from non-Federal sources.....	806,250	825,000	825,000
Reimbursements from other accounts.....	6,492,638	7,200,000	7,200,000
Total available for obligation.....	52,880,761	56,746,200	57,878,000
Unobligated balance, estimated savings.....	-382,320		
Obligations incurred.....	52,498,441	56,746,200	57,878,000
Comparative transfer from—			
"Control of forest pests, Agriculture":			
Direct appropriations.....	5,202,873		
Reimbursements from non-Federal sources.....	11,832		
Reimbursements from other accounts.....	98,123		
"Salaries and expenses, Bureau of Entomology and Plant Quarantine, Agricultural Research Administration":			
Direct appropriation.....	455,863		
Reimbursements from other accounts.....	65		
"Salaries and expenses, Bureau of Plant Industry, Soils, and Agricultural Engineering, Agricultural Research Administration":			
Direct appropriation.....	441,193		
Reimbursements from other accounts.....	11,464		
"Conservation operations, Soil Conservation Service":			
Direct appropriation.....	1,233,471		
Reimbursements from non-Federal sources.....	969		
Reimbursements from other accounts.....	8,022		
"Agricultural Marketing Act, Agriculture":			
Direct appropriation.....	31,972		
Reimbursements from other accounts.....	11,523	10,500	
Comparative transfer to—			
"Salaries and expenses, Agricultural Research Service":			
Direct appropriation.....	-178,459		
Reimbursements from non-Federal sources.....	-600		
"Flood prevention, Soil Conservation Service":			
Direct appropriation.....	-272,972	-200,000	
"Salaries and expenses, Office of Information, Agriculture":			
Direct appropriation.....	-3,655	-3,700	
Total obligations.....	59,550,125	56,553,000	57,878,000

NOTE.—Reimbursements from non-Federal sources above are primarily for rental of equipment; for sale of equipment, nursery stock, supplies, and materials; and for costs of suppressing forest fires on State and private forest lands adjacent to, or intermingled with, national forests under terms of written cooperative agreements (16 U. S. C. 504a, 572, 580, 580a), sale of photographic reproductions (7 U. S. C. 1387), and from proceeds of sale of personal property (40 U. S. C. 481 (c)).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. National forest protection and management:			
(a) Resource protection and use.....	\$29,173,853	\$29,236,500	\$31,111,500
(b) Resource development.....	1,342,012	1,300,000	1,300,000
Subtotal.....	30,515,865	30,536,500	32,411,500
2. Fighting forest fires: Fire suppression.....	10,311,075	6,000,000	5,250,000
3. Control of forest pests:			
(a) White pine blister rust control.....	2,929,656	2,570,000	2,570,000
(b) Forest pest control.....	2,273,217	2,367,500	2,367,500
Subtotal.....	5,202,873	4,937,500	4,937,500
4. Forest research:			
(a) Forest and range management investigations.....	2,901,114	3,609,630	3,809,630
(b) Forest protection investigations.....	1,041,244	1,253,204	1,253,204
(c) Forest products investigations.....	1,207,547	1,231,318	1,231,318
(d) Forest resources investigations.....	941,644	959,848	959,848
Subtotal.....	6,091,549	7,054,000	7,254,000
5. Obligations under reimbursements from non-Federal sources.....	818,451	825,000	825,000
Total direct obligations.....	52,939,813	49,353,000	50,678,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
6. Rental of equipment to, and repair of equipment for, other activities of Forest Service; the Department of Agriculture; the Departments of Commerce, Interior, Defense, Treasury, and Health, Education, and Welfare; the Veterans' Administration; the General Services Administration; and other agencies.....	4,841,461	5,225,000	5,225,000

OBLIGATIONS BY ACTIVITIES—continued

Description	1954 actual	1955 estimate	1956 estimate
<i>Obligations Payable Out of Reimbursements From Other Accounts—Continued</i>			
7. Supplies, materials, and equipment for sale to other activities of Forest Service; the Department of Agriculture; the Departments of Justice, Defense, Commerce, and Interior; the Atomic Energy Commission; and other agencies.....	\$902,596	\$1,155,000	\$1,155,000
8. Construction and maintenance of improvements.....	44,401	45,000	45,000
9. Protection of intermingled and adjacent forest lands.....	69,479	70,000	70,000
10. Surveys, land appraisals, mapping, cruising timber, and preparation of timber management plans, snow scale readings, etc., on national forest and other lands.....	96,571	113,000	113,000
11. Fire suppression on intermingled and adjacent lands under administration of other agencies.....	97,726	75,000	75,000
12. White pine blister rust control.....	82,726	2,500	2,500
13. Forest pest control.....	5,677	2,000	2,000
14. Investigations at experimental forests and ranges.....	26,529	30,000	30,000
15. Fire, insect, and disease investigations.....	11,387	12,500	12,500
16. Investigations at forest products laboratory.....	322,024	405,000	405,000
17. Special economic investigations.....	109,735	65,000	65,000
Total obligations payable out of reimbursements from other accounts.....	6,610,312	7,200,000	7,200,000
Total obligations.....	59,550,125	56,553,000	57,878,000

PROGRAM AND PERFORMANCE

1. *National forest protection and management—(a) Resource protection and use.*—The national forests are protected from fire, and their resources are managed in such ways as to bring about full utilization and maximum sustained production.

MAIN WORKLOAD FACTORS

Description	1954 actual	1955 estimate	1956 estimate
Area administered and protected (acres).....	181,108,263	181,100,000	181,100,000
Timber managed and protected (billion board feet).....	600	600	600
Timber sales (number).....	23,807	24,000	24,500
Timber harvested (billion board feet).....	5.37	5.4	6.25
Forest fires controlled (number).....	13,173	11,000	11,000
Area burned (acres).....	251,387	250,000	225,000
Grazing use number of permits (calendar year).....	26,606	26,000	26,000
Estimated total number of livestock on national forest ranges (including calves and lambs) (number).....	8,000,000	8,000,000	8,000,000
Special use permits (number).....	51,748	53,000	54,000
Visitors to national forests (calendar year).....	35,403,050	37,000,000	39,000,000
Receipts (by fiscal years):			
Timber sales.....	\$62,801,947	\$62,500,000	\$72,500,000
Grazing.....	3,107,172	3,000,000	3,000,000
Land use and power.....	1,310,860	1,500,000	1,500,000
Total receipts.....	67,219,979	67,000,000	77,000,000

In addition this item provides for management of land utilization projects. In cooperation with local and State agencies, revegetation and other development work has been done on submarginal land projects in 30 States, covering about 7,000,000 acres. Developed lands are made available to local farmers and ranchers at equitable rates under specific use conditions. Of the revenue amounting to more than \$1.5 million annually, 75 percent goes to the Treasury and 25 percent to the counties in which the lands are located.

(b) *Resource development.*—Main factors are shown in following table:

MAIN WORKLOAD FACTORS

[In acres]

Description	1954 actual	1955 estimate	1956 estimate
Planted to trees (annual).....	22,750	22,000	22,000
Planted to trees (cumulative).....	1,372,084	1,394,084	1,416,084
Still to be planted (total).....	4,000,000	4,000,000	4,000,000
Reseeded to range grasses (annual).....	41,491	40,000	40,000
Reseeded to range grasses (cumulative).....	550,638	590,638	630,638
Still to be reseeded (total).....	3,449,362	3,490,362	3,369,362

2. *Fighting forest fires.*—This provides for employment of additional manpower and other facilities to suppress forest fires which cannot be controlled by the fire-control

FOREST SERVICE—Continued

SALARIES AND EXPENSES—continued

Salaries and Expenses, Forest Service—Continued

organization provided for under the activity "National forest protection and management."

3. *Control of forest pests*—(a) *White pine blister rust control*.—Protection of white pine trees from blister rust is provided by removing ribes (alternate host plants) from areas where white pines grow. Some of this work is done in cooperation with State, private and other Federal land-managing agencies. Ribes have been removed from approximately 16,500,000 acres to date. Some maintenance work is needed on this acreage to keep the ribes suppressed. Approximately 6,800,000 additional acres require further eradication work.

The following table indicates the estimated program for 1955 and 1956 as compared to work done in 1954:

Acres	1954 actual	1955 estimate	1956 estimate
Initial eradication.....	218,966	50,000	50,000
Rework.....	941,232	950,000	950,000
Total.....	1,160,198	1,000,000	1,000,000

(b) *Forest pest control*.—Operations consist of (a) surveys to detect and appraise the danger of insects and plant diseases which injure or destroy forest resources, and (b) suppressive measures before extensive damage is done and while areas requiring treatment are small.

4. *Forest research*—(a) *Forest and range management investigations*.—Research is conducted at regional forest experiment stations and elsewhere to provide private and public land managers and owners with a sound basis for protection and management of timber, range, and watershed lands. Studies are conducted to enable the maintaining of a sustained yield of products at the lowest possible costs; increase forage on range lands for maximum production of livestock without damage to soil, watershed, or other values; assure maximum regular flow of usable water, and reduce flood and sedimentation.

(b) *Forest protection investigations (fire, insects, and diseases)*.—Research is conducted at the regional forest experiment stations and elsewhere to develop sound measures for the protection of forests from damage by fire, insects, and diseases. These investigations provide the technical basis for control measures and preventive measures, including predictions of fire danger.

(c) *Forest products investigations*.—The work of the forest products laboratory is directed toward improvement of forest products, reduction and utilization of waste, utilization of low-quality wood and unpopular species, development of new wood products, reduction of costs of logging and utilization of wood products, development of basic knowledge and discoveries, and dissemination of findings to meet the needs of the forest owner, primary manufacturer, wood fabricator, and ultimate consumer.

(d) *Forest resources investigations*.—These investigations are conducted to inventory and appraise the condition of forest lands, volume and quality of standing timber, ownership of timber resources, annual growth and depletion, potential need for timber products, and other information on supply, production, marketing, and utilization.

MAIN WORKLOAD FACTORS

[Acres in millions]

Description	1954 actual	1955 estimate	1956 estimate
Initial surveys (annual).....	16	20	25
Initial surveys (cumulative).....	466	486	511
To be surveyed (total).....	1 156	1 136	1 111
Resurveys (annual).....	27	25	25
Resurveys (cumulative).....	194	219	244

¹ Not including 140,000,000 acres in Alaska.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
FOREST SERVICE			
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	6,839	6,643	6,764
Full-time equivalent of all other positions.....	3,929	3,245	3,088
Average number of all employees.....	10,056	9,148	9,056
Number of employees at end of year.....	12,420	12,700	13,000
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,763	\$4,813	\$4,790
Average grade.....	GS-6.8	GS-6.8	GS-6.8
Ungraded positions: Average salary.....	\$3,696	\$3,758	\$3,758
Personal service obligations:			
Permanent positions.....	\$28,983,354	\$28,455,761	\$28,596,034
Positions other than permanent.....	7,500,955	7,862,174	8,152,880
Regular pay in excess of 52-week base.....	110,805	108,833	110,036
Payment above basic rates.....	1,479,688	897,823	1,037,520
Other payments for personal services.....	3,436,593	1,803,476	1,092,726
Total personal service obligations.....	41,511,395	39,128,067	38,989,196
<i>Direct Obligations</i>			
01 Personal services.....	39,920,445	37,456,164	37,317,293
02 Travel.....	1,777,170	1,524,527	1,426,946
03 Transportation of things.....	799,575	488,829	444,348
04 Communication services.....	472,324	443,104	428,777
05 Rents and utility services.....	457,666	466,584	451,740
06 Printing and reproduction.....	242,397	222,880	221,084
07 Other contractual services.....	2,735,338	1,965,991	1,655,406
Services performed by other agencies.....	148,450	74,811	71,528
08 Supplies and materials.....	2,900,726	2,323,778	1,747,581
09 Equipment.....	2,938,274	2,997,114	3,045,088
10 Lands and structures.....	173,675	172,398	172,598
11 Grants, subsidies, and contributions.....	14,515	16,005	1,818
13 Refunds, awards, and indemnities.....	36,604	25,994	24,425
15 Taxes and assessments.....	174,685	157,821	161,868
Contingency funds.....		1,142,200	3,717,600
Subtotal.....	52,871,844	49,478,200	50,888,000
Deduct charges for quarters and subsistence.....	499,157	565,000	565,000
Total direct obligations.....	52,372,687	48,913,200	50,323,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	1,590,950	1,671,903	1,671,903
02 Travel.....	84,213	88,104	88,104
03 Transportation of things.....	32,663	29,705	29,705
04 Communication services.....	19,301	23,047	23,047
05 Rents and utility services.....	27,603	21,016	21,016
06 Printing and reproduction.....	1,133	1,587	1,587
07 Other contractual services.....	237,160	289,753	289,753
Services performed by other agencies.....	24,208	9,180	9,180
08 Supplies and materials.....	4,227,999	4,637,310	4,637,310
09 Equipment.....	348,718	421,929	421,929
10 Lands and structures.....	5,244	540	540
15 Taxes and assessments.....	6,827	6,276	6,276
Subtotal.....	6,606,019	7,200,350	7,200,350
Deduct charges for quarters and subsistence.....	622	350	350
Total obligations payable out of reimbursements from other accounts.....	6,605,397	7,200,000	7,200,000
Total obligations.....	58,978,084	56,113,200	57,523,000
ALLOCATION TO THE DEPARTMENT OF THE INTERIOR			
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	10	9	9
Full-time equivalent of all other positions.....	96	75	55
Average number of all employees.....	105	82	63
Number of employees at end of year.....	354	308	222
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,622	\$4,744	\$4,827
Average grade.....	GS-6.9	GS-7.1	GS-7.3
Personal service obligations:			
Permanent positions.....	\$36,903	\$38,012	\$37,755
Positions other than permanent.....	337,414	254,763	194,283
Regular pay in excess of 52-week base.....	171	176	167
Payment above basic rates.....	39,467	24,936	23,877
Total personal service obligations.....	413,955	317,887	256,082
<i>Direct Obligations</i>			
01 Personal services.....	412,323	317,887	256,082
02 Travel.....	4,444	4,566	3,095
03 Transportation of things.....	1,131	583	275
04 Communication services.....	774	740	658
05 Rents and utility services.....	19,001	13,233	11,178
06 Printing and reproduction.....	109	50	20
07 Other contractual services.....	67,498	55,052	56,105
08 Supplies and materials.....	56,099	50,995	37,833

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
ALLOCATION TO THE DEPARTMENT OF THE INTERIOR—continued			
<i>Direct Obligations—Continued</i>			
09 Equipment.....	\$20,962	\$12,399	\$6,393
13 Refunds, awards, and indemnities.....	375		
15 Taxes and assessments.....	5,415	4,295	3,361
Subtotal.....	588,126	459,800	375,000
Deduct charges for quarters and subsistence.....	21,000	20,000	20,000
Total direct obligations.....	567,126	439,800	355,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	1,632		
07 Other contractual services.....	3,283		
Total obligations payable out of reimbursements from other accounts.....	4,915		
Total obligations.....	572,041	439,800	355,000
SUMMARY			
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	6,849	6,652	6,773
Full-time equivalent of all other positions.....	4,025	3,320	3,143
Average number of all employees.....	10,161	9,230	9,119
Number of employees at end of year.....	12,774	13,008	13,222
<i>Average salaries and grades:</i>			
General schedule grades:			
Average salary.....	\$4,762	\$4,813	\$4,791
Average grade.....	GS-6.8	GS-6.8	GS-6.8
Ungraded positions: Average salary.....	\$3,696	\$3,758	\$3,758
<i>Personal service obligations:</i>			
Permanent positions.....	\$29,020,257	\$28,493,773	\$28,633,789
Positions other than permanent.....	7,838,369	8,116,937	8,347,163
Regular pay in excess of 52-week base.....	110,976	109,009	110,203
Payment above basic rates.....	1,519,155	922,759	1,061,397
Other payments for personal services.....	3,436,593	1,803,476	1,092,726
Total personal service obligations.....	41,925,350	39,445,954	39,245,278
<i>Direct Obligations</i>			
01 Personal services.....	40,332,768	37,774,051	37,573,375
02 Travel.....	1,781,614	1,529,093	1,430,041
03 Transportation of things.....	800,706	489,412	444,623
04 Communication services.....	473,098	443,844	429,435
05 Rents and utility services.....	506,667	479,817	462,918
06 Printing and reproduction.....	242,506	222,930	221,104
07 Other contractual services.....	2,852,831	2,021,043	1,711,511
Services performed by other agencies.....	148,450	74,811	71,528
08 Supplies and materials.....	2,956,825	2,374,773	1,785,414
09 Equipment.....	2,959,236	3,009,513	3,051,481
10 Lands and structures.....	173,675	172,398	172,598
11 Grants, subsidies, and contributions.....	14,515	16,005	1,818
13 Refunds, awards, and indemnities.....	36,979	25,994	24,425
15 Taxes and assessments.....	180,100	162,116	165,229
Contingency fund.....		1,142,200	3,717,500
Subtotal.....	53,459,970	49,938,000	51,263,000
Deduct charges for quarters and subsistence.....	520,157	585,000	585,000
Total direct obligations.....	52,939,813	49,353,000	50,678,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	1,592,582	1,671,903	1,671,903
02 Travel.....	84,213	88,104	88,104
03 Transportation of things.....	32,663	29,705	29,705
04 Communication services.....	19,301	23,047	23,047
05 Rents and utility services.....	27,603	21,016	21,016
06 Printing and reproduction.....	1,133	1,587	1,587
07 Other contractual services.....	240,443	289,753	289,753
Services performed by other agencies.....	24,208	9,180	9,180
08 Supplies and materials.....	4,227,999	4,637,310	4,637,310
09 Equipment.....	348,718	421,929	421,929
10 Lands and structures.....	5,244	540	540
15 Taxes and assessments.....	6,827	6,276	6,276
Subtotal.....	6,610,934	7,200,350	7,200,350
Deduct charges for quarters and subsistence.....	622	350	350
Total obligations payable out of reimbursements from other accounts.....	6,610,312	7,200,000	7,200,000
Total obligations.....	59,550,125	56,553,000	57,878,000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$4,691,748	\$4,664,944	\$5,686,144
Obligations incurred during the year.....	52,498,441	56,746,200	57,878,000
Adjustment in obligations of prior years.....	57,190,189	61,411,144	63,564,144
Reimbursements.....	-23,701		
Obligated balance carried to certified claims account.....	-7,298,883	-8,025,000	-8,025,000
Obligated balance carried forward.....	-11,262		
Total expenditures.....	-4,664,944	-5,686,144	-6,539,144
Expenditures are distributed as follows:			
Out of current authorizations.....	45,191,394	47,700,000	49,000,000
Out of prior authorizations.....	40,585,872	43,100,000	43,400,000
	4,605,522	4,600,000	5,600,000

FOREST ROADS AND TRAILS

Forest Roads and Trails, Forest Service

For expenses necessary for carrying out the provisions of section 23 of the Federal Highway Act approved November 9, 1921, as amended (23 U. S. C. 23, 23a), relating to forest development roads and trails, including the construction, reconstruction, and maintenance of roads and trails on experimental areas under Forest Service administration, **[\$16,000,000] \$24,000,000**, which sum is authorized to be appropriated by the **[Acts of September 7, 1950 (64 Stat. 786), and June 25, 1952 (66 Stat. 158)] Act of May 6, 1954 (Public Law 350)**, to remain available until expended **[Provided, That this appropriation shall be available for the rental, purchase, construction, or alteration of buildings necessary for the storage and repair of equipment and supplies used for road and trail construction and maintenance, but the total cost of any such building purchased, altered, or constructed under this authorization shall not exceed \$18,500 (\$22,500 in Alaska), with the exception that any building erected, purchased, or acquired, the cost of which was \$18,500 or more, may be improved within any fiscal year by an amount not to exceed 2 per centum of the cost of such buildings]**. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.*)

Appropriated 1955, * **\$22,500,000** Estimate 1956, **\$24,000,000**

* Includes \$6,500,000 appropriated in Supplemental Appropriation Act, 1955.

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$14,500,000	\$22,500,000	\$24,000,000
Unobligated balance brought forward.....	6,126,663	305,711	
Reimbursements from non-Federal sources.....	18,897	25,000	25,000
Reimbursements from other accounts.....	109,090	175,000	175,000
Total available for obligation.....	20,754,650	23,005,711	24,200,000
Unobligated balance carried forward.....	-305,711		
Obligations incurred.....	20,448,939	23,005,711	24,200,000
Comparative transfer to—			
“Salaries and expenses, Agricultural Research Service”.....	-2,000		
“Flood prevention, Soil Conservation Service”.....	-69,538		
Total obligations.....	20,377,401	23,005,711	24,200,000

NOTE.—Reimbursements from non-Federal sources above are primarily from rental of equipment and sale of equipment, supplies, and materials to non-Federal agencies which cooperate with the Forest Service in fire control under terms of written cooperative agreements (16 U. S. C. 580, 580a); sale of photographic reproductions (7 U. S. C. 1387); and from proceeds of sale of personal property (40 U. S. C. 481 (c)).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Construction of roads and trails.....	\$13,617,507	\$15,835,545	\$17,100,000
2. Maintenance of roads and trails.....	6,631,907	6,970,166	6,900,000
3. Obligations under reimbursements from non-Federal sources.....	18,897	25,000	25,000
Total direct obligations.....	20,268,311	22,830,711	24,025,000

FOREST SERVICE—Continued**FOREST ROADS AND TRAILS—continued****Forest Roads and Trails, Forest Service—Continued****OBLIGATIONS BY ACTIVITIES—continued**

Description	1954 actual	1955 estimate	1956 estimate
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. Construction of roads and trails.....	\$30,405	\$94,000	\$94,000
2. Maintenance of roads and trails.....	9,185	16,000	16,000
4. Supplies, materials, and equipment for sale.....	69,500	65,000	65,000
Total obligations payable out of reimbursements from other accounts.....	109,090	175,000	175,000
Total obligations.....	20,377,401	23,005,711	24,200,000

PROGRAM AND PERFORMANCE

Roads and trails are essential to the protection and management of the national forests and the utilization of their resources. The existing system consists of approximately 119,000 miles of earth- or gravel-surfaced roads and 120,000 miles of supplemental trails.

The increase in 1956 is to provide the full \$24,000,000 authorized for that year by the Federal-Aid Highway Act of 1954. This will permit increased construction of timber access roads urgently needed to accelerate harvesting of national forest timber.

The Federal-Aid Highway Act of 1954 (Public Law 350) made immediately available, in the form of contract authorization, the sum previously authorized for the fiscal year 1955 and the amounts authorized in that act for the fiscal years 1956 and 1957 for forest roads and trails, totaling \$70,500,000.

Unfinanced contract authorization.—Status of the unfinanced balance is as follows:

	1954 actual	1955 estimate	1956 estimate
Unfinanced balance at beginning of year.....	-----	\$70,500,000	\$48,000,000
New contract authorizations.....	\$70,500,000	-----	-----
Subtotal.....	70,500,000	70,500,000	48,000,000
Administrative cancellation equivalent to funds appropriated.....	-----	-22,500,000	-24,000,000
Unfinanced balance at end of year.....	70,500,000	48,000,000	24,000,000

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
FOREST SERVICE			
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	853	849	849
Full-time equivalent of all other positions.....	818	1,108	1,177
Average number of all employees.....	1,726	2,039	2,108
Number of employees at end of year.....	2,781	2,529	2,630
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,647	\$4,609	\$4,609
Average grade.....	GS-6.5	GS-6.4	GS-6.4
Ungraded positions: Average salary.....	\$3,881	\$3,718	\$3,718
Personal service obligations:			
Permanent positions.....	\$3,807,371	\$3,909,171	\$3,909,171
Positions other than permanent.....	2,532,500	3,418,505	3,613,395
Regular pay in excess of 52-week base.....	14,646	15,035	15,035
Payment above basic rates.....	114,180	110,867	117,887
Other payments for personal services.....	3,219	5,000	5,000
Total personal service obligations.....	6,471,916	7,458,578	7,660,488
<i>Direct Obligations</i>			
01 Personal services.....	6,401,094	7,358,578	7,560,488
02 Travel.....	181,428	185,000	195,000
03 Transportation of things.....	89,574	90,000	93,000
04 Communication services.....	72,803	75,000	77,000
05 Rents and utility services.....	105,116	125,000	130,000
06 Printing and reproduction.....	9,414	9,500	10,000
07 Other contractual services.....	876,140	1,257,429	1,313,964
Services performed by other agencies.....	11,487	15,000	15,500
08 Supplies and materials.....	3,308,957	3,735,943	3,826,676

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
FOREST SERVICE—continued			
<i>Direct Obligations—Continued</i>			
09 Equipment.....	\$132,826	\$135,000	\$140,000
10 Lands and structures.....	1,318,501	2,828,161	5,145,672
13 Refunds, awards, and indemnities.....	557	500	600
15 Taxes and assessments.....	54,964	42,500	44,000
Subtotal.....	12,562,861	15,857,611	18,551,900
Deduct charges for quarters and subsistence.....	33,607	26,900	26,900
Total direct obligations.....	12,529,254	15,830,711	18,525,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	70,822	100,000	100,000
02 Travel.....	1,856	2,300	2,300
03 Transportation of things.....	131	100	100
04 Communication services.....	219	200	200
05 Rents and utility services.....	708	500	500
07 Other contractual services.....	2,251	4,800	4,800
Services performed by other agencies.....	3,388	-----	-----
08 Supplies and materials.....	19,324	66,795	66,795
09 Equipment.....	5	100	100
13 Refunds, awards, and indemnities.....	5	5	5
15 Taxes and assessments.....	162	200	200
Total obligations payable out of reimbursements from other accounts.....	104,909	175,000	175,000
Total obligations.....	12,634,163	16,005,711	18,700,000
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions.....	100	95	75
Full-time equivalent of all other positions.....	88	77	54
Average number of all employees.....	164	144	101
Number of employees at end of year.....	110	100	70
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,137	\$4,186	\$4,122
Average grade.....	GS-6.3	GS-6.2	GS-5.7
<i>Direct Obligations</i>			
01 Personal services:			
Permanent positions.....	\$328,630	\$292,000	\$207,000
Positions other than permanent.....	259,002	230,000	164,000
Regular pay in excess of 52-week base.....	1,269	1,100	800
Payment above basic rates.....	46,361	41,900	28,200
Total personal services.....	635,262	565,000	400,000
02 Travel.....	43,828	40,000	30,000
03 Transportation of things.....	1,459	1,000	1,000
04 Communication services.....	1,900	1,500	1,000
05 Rents and utility services.....	8,586	8,000	6,000
06 Printing and reproduction.....	2,758	2,000	1,500
07 Other contractual services.....	159,818	140,000	100,000
08 Supplies and materials.....	20,669	40,000	30,000
09 Equipment.....	20	-----	-----
10 Lands and structures.....	6,860,138	6,202,500	4,930,500
15 Taxes and assessments.....	4,975	-----	-----
Subtotal.....	7,739,413	7,000,000	5,500,000
Deduct charges for quarters and subsistence.....	356	-----	-----
Total direct obligations.....	7,739,057	7,000,000	5,500,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
08 Supplies and materials.....	4,181	-----	-----
Total obligations.....	7,743,238	7,000,000	5,500,000
SUMMARY			
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	953	944	924
Full-time equivalent of all other positions.....	906	1,185	1,231
Average number of all employees.....	1,890	2,183	2,209
Number of employees at end of year.....	2,891	2,629	2,700
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,564	\$4,541	\$4,545
Average grade.....	GS-6.5	GS-6.4	GS-6.3
Ungraded positions: Average salary.....	\$3,881	\$3,718	\$3,718
Personal service obligations:			
Permanent positions.....	\$4,136,001	\$4,201,171	\$4,116,171
Positions other than permanent.....	2,791,502	3,648,505	3,777,395
Regular pay in excess of 52-week base.....	15,915	16,135	15,835
Payment above basic rates.....	160,541	152,767	146,087
Other payments for personal services.....	3,219	5,000	5,000
Total personal service obligations.....	7,107,178	8,023,578	8,060,488

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
SUMMARY—continued			
<i>Direct Obligations</i>			
01 Personal services.....	\$7,036,356	\$7,923,578	\$7,960,488
02 Travel.....	225,256	225,000	225,000
03 Transportation of things.....	91,033	91,000	94,000
04 Communication services.....	74,703	76,500	78,000
05 Rents and utility services.....	113,702	133,000	136,000
06 Printing and reproduction.....	12,172	11,500	11,500
07 Other contractual services.....	1,035,958	1,397,429	1,413,964
Services performed by other agencies.....	11,487	15,000	15,500
08 Supplies and materials.....	3,329,626	3,775,943	3,856,676
09 Equipment.....	132,846	135,000	140,000
10 Lands and structures.....	8,178,639	9,030,661	10,076,172
13 Refunds, awards, and indemnities.....	557	500	600
15 Taxes and assessments.....	59,939	42,500	44,000
Subtotal.....	20,302,274	22,857,611	24,051,900
Deduct charges for quarters and subsistence.....	33,963	26,900	26,900
Total direct obligations.....	20,268,311	22,830,711	24,025,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	70,822	100,000	100,000
02 Travel.....	1,856	2,300	2,300
03 Transportation of things.....	131	100	100
04 Communication services.....	219	200	200
05 Rents and utility services.....	708	500	500
07 Other contractual services.....	2,251	4,800	4,800
Services performed by other agencies.....	3,388		
08 Supplies and materials.....	23,505	66,795	66,795
09 Equipment.....	6,043	100	100
13 Refunds, awards, and indemnities.....	5	5	5
15 Taxes and assessments.....	162	200	200
Total obligations payable out of reimbursements from other accounts.....	109,090	175,000	175,000
Total obligations.....	20,377,401	23,005,711	24,200,000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$2,755,630	\$6,573,873	\$8,379,584
Obligations incurred during the year.....	20,448,939	23,005,711	24,200,000
Reimbursements.....	23,204,569	29,579,584	32,579,584
Obligated balance carried forward.....	-127,987	-200,000	-200,000
	-6,573,873	-8,379,584	-9,179,584
Total expenditures.....	16,502,709	21,000,000	23,200,000
Expenditures are distributed as follows:			
Out of current authorizations.....	16,502,709	14,200,000	14,900,000
Out of prior authorizations.....		6,800,000	8,300,000

Forest Roads and Trails (Liquidation of Contract Authorization), Forest Service

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Contract authorization.....	\$70,500,000		
Unobligated balance brought forward.....		\$70,500,000	\$48,000,000
Total available for obligation.....	70,500,000	70,500,000	48,000,000
Administrative cancellation equivalent to funds appropriated under "Forest roads and trails, Forest Service".....		-22,500,000	-24,000,000
Unobligated balance carried forward.....	70,500,000	48,000,000	24,000,000

STATE AND PRIVATE FORESTRY COOPERATION

State and Private Forestry Cooperation, Forest Service

For expenses necessary for cooperation with the various States in forest-fire prevention and suppression, in forest tree planting, and in forest management and processing, [and in farm forestry extension,] pursuant to the Act of August 25, 1950 (16 U. S. C. 568e, 568d), and sections 1, 2, 3, and 4 [and 5] of the Act of June 7, 1924 (16 U. S. C. 564-568a) 567c, and Acts supplementary thereto; advising timberland owners, associations, and other appropriate agencies in the application of forest management principles to federally owned lands leased to States and to private forest lands, and advising wood-using industries in processing of forest products, so as to attain sustained-yield management, the conservation of the

timber resources, the productivity of forest lands, and the stabilization of employment and economic continuance of forest industries; [\$10,683,690] \$9,600,000. (5 U. S. C. 511; 16 U. S. C. 581; Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

Appropriated 1955, \$10,683,690

Estimate 1956, \$9,600,000

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$10,792,708	\$10,683,690	\$9,600,000
Reimbursements from non-Federal sources.....	8,164	10,000	10,000
Reimbursements from other accounts.....	532	10,000	10,000
Total available for obligation.....	10,801,404	10,703,690	9,620,000
Unobligated balance, estimated savings.....	-5,892		
Obligations incurred.....	10,795,512	10,703,690	9,620,000
Comparative transfer to—			
“Salaries and expenses, Federal Extension Service”.....	-20,977		
“Payments to States, Hawaii, Alaska, and Puerto Rico, Extension Service”.....	-87,865		
Total obligations.....	10,686,670	10,703,690	9,620,000

NOTE.—There are available as a credit to this appropriation collections from States of their share of the cost of providing technical timber management services to owners of private forest land (16 U. S. C. 572).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Cooperation in forest fire control.....	\$9,446,699	\$9,449,500	\$8,365,810
2. Cooperation in forest tree planting.....	446,140	447,061	447,061
3. Cooperation in forest management and processing.....	632,206	632,429	632,429
4. General forestry assistance.....	152,929	154,700	154,700
5. Obligations under reimbursements from non-Federal sources.....	8,164	10,000	10,000
Total direct obligations.....	10,686,138	10,693,690	9,610,900
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. Cooperation in forest fire control.....	532	10,000	10,000
Total obligations.....	10,686,670	10,703,690	9,620,000

PROGRAM AND PERFORMANCE

This program, for the most part carried on in cooperation with the States, encourages private timber growing through assistance in preventing and suppressing forest fires, reforestation of denuded and poorly stocked areas, and good management of woodlands. Privately owned forest lands comprise three-fourths of the Nation's commercial forest area and produce 90 percent of all timber cut. The fire-control program applies to all forest lands within the boundaries of organized protection units. The balance of the program is concentrated on small forest properties in private ownership because (a) 76 percent of the private commercial forest acreage is in small holdings averaging only about 62 acres each, (b) the small-owner group comprises 99 percent of private forest owners, and (c) present cutting practices are poorest on these small properties.

1. *Cooperation in forest fire control.*—Assistance is furnished 43 States and Hawaii in preventing and suppressing forest fires on private and State-owned lands by financial aid, training, procurement of equipment, and a nationwide fire-prevention campaign. About 87 percent of the 427,000,000 acres of non-Federal ownership are now partially covered. During 1953 the acreage burned on protected areas was 0.7 percent as against an estimated 13.5 percent on unprotected lands. Of the total expenditures under this program, 70 percent is contributed by

FOREST SERVICE—Continued

STATE AND PRIVATE FORESTRY COOPERATION—continued

State and Private Forestry Cooperation, Forest Service—Con.

States and counties, 6 percent by private owners, and 24 percent by the Federal Government.

2. *Cooperation in forest tree planting.*—To encourage woodland owners to plant trees on the more than 60 million acres of inadequately stocked private forest land, the States provide trees at less than cost. In fiscal year 1954 the Federal Government shared the cost with the States to the extent of one-fifth.

3. *Cooperation in forest management and processing.*—In cooperation with State foresters, 274 projects in 1,300 counties are operated to aid small-woodland owners in applying good management to their timber holdings, covering some 32,000 owners and about 2,600,000 acres. Small processors of primary forest products receive similar technical assistance.

4. *General forestry assistance.*—Assistance and advice is given by field technicians in groups of States in response to inquiries in technical forestry fields in which the volume of business in any one State is not sufficient to justify a technician in each individual State.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	104	103	103
Full-time equivalent of all other positions.....	6	9	9
Average number of all employees.....	111	116	116
Number of employees at end of year.....	113	119	119
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,557	\$5,627	\$5,627
Average grade.....	GS-7.9	GS-8.1	GS-8.1
Personal service obligations:			
Permanent positions.....	\$592,583	\$595,377	\$595,377
Positions other than permanent.....	14,090	26,520	26,520
Regular pay in excess of 52-week base.....	1,962	1,892	1,892
Payment above basic rates.....	498	1,011	2,631
Other payments for personal services.....	12	13	13
Total personal service obligations.....	609,145	624,813	626,433
<i>Direct Obligations</i>			
01 Personal services.....	609,058	618,873	620,493
02 Travel.....	60,836	62,350	62,350
03 Transportation of things.....	12,461	10,000	10,000
04 Communication services.....	9,803	10,000	10,000
05 Rents and utility services.....	814	850	850
06 Printing and reproduction.....	113,508	90,375	90,375
07 Other contractual services.....	5,973	7,312	7,660
Services performed by other agencies.....	14,971	15,000	15,000
08 Supplies and materials.....	55,374	55,266	53,298
09 Equipment.....	3,647	3,644	3,644
11 Grants, subsidies, and contributions.....	9,799,085	9,819,455	8,735,765
15 Taxes and assessments.....	620	565	565
Subtotal.....	10,686,150	10,693,690	9,610,000
Deduct charges for quarters and subsistence.....	12		
Total direct obligations.....	10,686,138	10,693,690	9,610,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	87	5,940	5,940
02 Travel.....	32	1,500	1,500
04 Communication services.....	359	500	500
07 Other contractual services: Services performed by other agencies.....	2	560	560
08 Supplies and materials.....	52	1,500	1,500
Total obligations payable out of reimbursements from other accounts.....	532	10,000	10,000
Total obligations.....	10,686,670	10,703,690	9,620,000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$536,441	\$620,967	\$668,657
Adjustment in obligations of prior years.....	392		
Obligations incurred during the year.....	10,795,512	10,703,690	9,620,000
Reimbursements.....	11,332,345	11,324,657	10,288,657
Obligated balance carried to certified claims account.....	-8,696	-20,000	-20,000
Obligated balance carried forward.....	-1,735	-608,657	-588,657
Total expenditures.....	10,700,947	10,636,000	9,680,000
Expenditures are distributed as follows:			
Out of current authorizations.....	10,165,790	10,019,000	9,014,000
Out of prior authorizations.....	535,157	617,000	666,000

COOPERATIVE RANGE IMPROVEMENTS

Cooperative Range Improvements, Forest Service

(Definite appropriation, special account)

For artificial revegetation, construction, and maintenance of range improvements, control of rodents, and eradication of poisonous and noxious plants on national forests as authorized by section 12 of the Act of April 24, 1950 (16 U. S. C. 580h), **[\$400,000]** \$280,000, to remain available until expended. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.*)

Appropriated 1955, \$400,000

Estimate 1956, \$280,000

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$531,000	\$400,000	\$280,000
Unobligated balance brought forward.....	185,751	36,959	
Reimbursements from other accounts.....	120		
Total available for obligation.....	716,871	436,959	280,000
Unobligated balance carried forward.....	-36,959		
Obligations incurred.....	679,912	436,959	280,000

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
Construction and maintenance of range improvements.....	\$679,792	\$436,959	\$280,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
Construction and maintenance of range improvements.....	120		
Obligations incurred.....	679,912	436,959	280,000

PROGRAM AND PERFORMANCE

On the basis of a statutory formula and to the extent appropriated, part of the grazing fees from the national forests are used to protect or improve the productivity of the range, mainly by construction and maintenance of fences, stock-watering facilities, bridges, corrals, and driveways.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	8	5	5
Full-time equivalent of all other positions.....	76	51	28
Average number of all employees.....	107	72	49
Number of employees at end of year.....	193	134	90

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Summary of Personal Services—Con.</i>			
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$3, 553	\$3, 426	\$3, 426
Average grade.....	GS-4.0	GS-3.8	GS-3.8
Ungraded positions: Average salary.....	\$3, 635	\$3, 535	\$3, 535
Personal service obligations:			
Permanent positions.....	\$119, 881	\$80, 044	\$80, 044
Positions other than permanent.....	224, 457	147, 628	82, 656
Regular pay in excess of 52-week base.....	1, 283	350	200
Payment above basic rates.....	139		
Total personal service obligations.....	345, 760	228, 022	162, 900
<i>Direct Obligations</i>			
01 Personal services.....	345, 640	228, 022	162, 900
02 Travel.....	4, 441	3, 300	2, 000
03 Transportation of things.....	13, 713	10, 000	5, 500
04 Communication services.....	3, 864	3, 000	1, 800
05 Rents and utility services.....	4, 671	3, 200	1, 900
06 Printing and reproduction.....	103	100	100
07 Other contractual services.....	34, 702	17, 819	11, 669
Services performed by other agencies.....	297	200	200
08 Supplies and materials.....	201, 803	130, 398	72, 031
09 Equipment.....	8, 107	7, 200	3, 000
10 Lands and structures.....	59, 386	31, 800	17, 600
13 Refunds, awards, and indemnities.....	136		
15 Taxes and assessments.....	4, 552	3, 200	1, 900
Subtotal.....	681, 415	438, 239	280, 600
Deduct charges for quarters and subsistence.....	1, 623	1, 280	600
Total direct obligations.....	679, 792	436, 959	280, 000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	120		
Obligations incurred.....	679, 912	436, 959	280, 000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$152, 972	\$126, 370	\$83, 329
Obligations incurred during the year.....	679, 912	436, 959	280, 000
Reimbursements.....	832, 884	563, 329	363, 329
Obligated balance carried forward.....	-120	-83, 329	-53, 329
Total expenditures.....	706, 394	480, 000	310, 000
Expenditures are distributed as follows:			
Out of current authorizations.....	706, 394	320, 000	230, 000
Out of prior authorizations.....		160, 000	80, 000

[ACQUISITION OF LANDS FOR NATIONAL FORESTS]

[Weeks Act]

Acquisition of Lands for National Forests, Weeks Act, Forest Service

For the acquisition of forest lands under the provisions of the Act approved March 1, 1911, as amended (16 U. S. C. 513-519, 521), \$125,000, to be available only for payment of the purchase price of any lands acquired, including the cost of surveys in connection with such acquisition: *Provided*, That no part of this appropriation shall be used for acquisition of any land which is not within the boundaries of a national forest: *Provided further*, That no part of this appropriation shall be used for the acquisition of any land without the approval of the local government concerned. (Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

Appropriated 1955, \$125,000

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$75, 000	\$125, 000	
Unobligated balance, estimated savings.....	-511		
Obligations incurred.....	74, 489	125, 000	

OBLIGATIONS BY ACTIVITIES

Acquisition of lands for national forests—1954, \$74,489; 1955, \$125,000.

PROGRAM AND PERFORMANCE

In the fiscal years 1954 and 1955 funds were provided to acquire lands to protect the watersheds of navigable streams and to increase the production of timber. The National Forest Reservation Commission, composed of 2 Senators, 2 Representatives, the Secretaries of the Army, Interior, and Agriculture, has approved the establishment of 78 national forest purchase units in 33 States, mainly in the eastern half of the United States. The present value of forest lands thus purchased to date is conservatively estimated at \$200,000,000, which is more than twice their cost.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
Average number of all employees.....	1	1	
Number of employees at end of year.....			
01 Personal services:			
Permanent positions.....	\$3, 347	\$1, 400	
Positions other than permanent.....	405		
Regular pay in excess of 52-week base.....	7		
Total personal services.....	3, 759	1, 400	
02 Travel.....	482	400	
07 Other contractual services.....	74		
08 Supplies and materials.....	291	200	
10 Lands and structures.....	69, 890	123, 000	
15 Taxes and assessments.....	4		
Subtotal.....	74, 500	125, 000	
Deduct charges for quarters and subsistence.....	11		
Obligations incurred.....	74, 489	125, 000	

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$85, 676	\$114, 025	\$139, 025
Obligations incurred during the year.....	74, 489	125, 000	
Adjustment in obligations of prior years.....	160, 165	239, 025	139, 025
Obligated balance carried to certified claims account.....	-2, 003		
Obligated balance carried forward.....	-10, 718	-139, 025	-46, 025
Total expenditures.....	114, 025	100, 000	93, 000
Expenditures are distributed as follows:			
Out of current authorizations.....	4, 511	22, 750	
Out of prior authorizations.....	28, 908	77, 250	93, 000

[Special Acts]

Acquisition of Lands for National Forests, Special Acts, Forest Service

For the acquisition of land to facilitate the control of soil erosion and flood damage originating within the exterior boundaries of the following national forest, in accordance with the provisions of the following Act authorizing annual appropriations of forest receipts for such purposes, and in not to exceed the following amount from such receipts: Cache National Forest, Utah, Act of May 11, 1938 (Public Law 505), as amended, \$10,000: *Provided*, That no part of this appropriation shall be used for acquisition of any land which is not within the boundaries of a national forest: *Provided further*, That no part of this appropriation shall be used for the acquisition of any land without the approval of the local government concerned. (Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

Appropriated 1955, \$10,000

AMOUNTS AVAILABLE FOR OBLIGATION

Appropriation or estimate (obligations incurred)—1955, \$10,000.

OBLIGATIONS BY ACTIVITIES

Cache National Forest, Utah—1955, \$10,000.

FOREST SERVICE—Continued**[Special Acts]—Continued****Acquisition of Lands for National Forests, Special Acts, Forest Service—Continued****OBLIGATIONS BY OBJECTS**

Object classification	1954 actual	1955 estimate	1956 estimate
Average number of all employees.....		1	
Number of employees at end of year.....			
01 Personal services: Permanent positions.....		\$1,350	
02 Travel.....		150	
04 Communication services.....		5	
07 Other contractual services.....		5	
10 Lands and structures.....		8,490	
Obligations incurred.....		10,000	

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$42,091	\$4,747	\$6,047
Obligations incurred during the year.....		10,000	
	42,091	14,747	6,047
Adjustment in obligations of prior years.....	-2,334		
Obligated balance carried to certified claims account.....	-13,256		
Obligated balance carried forward.....	-4,747	-6,047	-1,047
Total expenditures.....	21,754	8,700	5,000
Expenditures are distributed as follows:			
Out of current authorizations.....		3,953	
Out of prior authorizations.....	21,754	4,747	5,000

Miscellaneous**Acquisition of Lands for National Forests, Superior National Forest, Forest Service****AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Unobligated balance brought forward.....	\$314,893	\$278,208	
Unobligated balance carried forward.....	-278,208		
Obligations incurred.....	36,685	278,208	

OBLIGATIONS BY ACTIVITIES

Acquisition of forest land, Minnesota—1954, \$36,685; 1955, \$278,208.

PROGRAM AND PERFORMANCE

Forest lands are acquired to preserve the wilderness conditions of part of the Superior National Forest in Minnesota. There are approximately 43,000 acres of privately owned land within the area, of which about 40,000 have been or will be purchased. Appropriation of the full amount authorized by the act of June 22, 1948 (Public Law 733), was completed in the fiscal year 1953.

OBLIGATIONS BY OBJECTS

10 Lands and structures—1954, \$36,685; 1955, \$278,208.

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$35,448	\$46,114	\$224,322
Obligations incurred during the year.....	36,685	278,208	
	72,133	324,322	224,322
Obligated balance carried forward.....	-46,114	-224,322	-124,322
Total expenditures (out of prior authorizations).....	26,019	100,000	100,000

Control of Forest Pests, Agriculture**AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$5,300,000		
Transferred to "Salaries and expenses, Federal Extension Service," pursuant to Public Law 286.....	-13,646		
Adjusted appropriation or estimate.....	5,286,354		
Reimbursements from non-Federal sources.....	11,832		
Reimbursements from other accounts.....	98,123		
Total available for obligation.....	5,396,309		
Unobligated balance, estimated savings.....	-83,481		
Obligations incurred.....	5,312,828		
Comparative transfer to "Salaries and expenses, Forest Service":			
Direct obligations.....	-5,202,873		
Reimbursements from non-Federal sources.....	-11,832		
Reimbursements from other accounts.....	-98,123		
Total obligations.....			

NOTE.—Reimbursements from non-Federal sources above are from payments by agencies for forest-pest-control work performed on State and private lands under terms of written cooperative agreements (16 U. S. C. 594-a); and from proceeds of sale of personal property (40 U. S. C. 481 (c)).

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$1,434,941	\$1,052,342	\$52,342
Obligations incurred during the year.....	5,312,828		
	6,747,769	1,052,342	52,342
Adjustment in obligations of prior years.....	-37,838		
Reimbursements.....	-109,955		
Obligated balance carried to certified claims account.....	-10,567		
Obligated balance carried forward.....	-1,052,342	-52,342	
Total expenditures.....	5,537,067	1,000,000	52,342
Expenditures are distributed as follows:			
Out of current authorizations.....	4,179,326		
Out of prior authorizations.....	1,357,741	1,000,000	52,342

Forest Roads and Trails**AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Unobligated balance brought forward.....	\$13,743	\$301	
Recovery of prior year obligations.....	42		
Total available for obligation.....	13,785	301	
Unobligated balance carried forward.....	-301		
Obligations incurred.....	13,484	301	

OBLIGATIONS BY ACTIVITIES

Development roads and trails—1954, \$13,484; 1955, \$301.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
Total number of permanent positions.....	1		
Average number of all employees.....	1		
Number of employees at end of year.....			
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,830		
Average grade.....	GS-7.0		
01 Personal services:			
Permanent positions.....	\$4,802		
Regular pay in excess of 52-week base.....	19		
Total personal services.....	4,821		
02 Travel.....	97		
07 Other contractual services.....	130	\$301	
10 Lands and structures.....	8,421		
15 Taxes and assessments.....	15		
Obligations incurred.....	13,484	301	

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$2,912		
Obligations incurred during the year.....	13,484	\$301	
Adjustment in obligations of prior years.....	16,396 -42	301	
Total expenditures (out of prior authorizations).....	16,354	301	

Land Utilization Projects, Forest Service

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Unobligated balance brought forward.....	\$85,255	\$85,255	
Unobligated balance carried forward.....	-85,255		
Obligations incurred.....		85,255	

OBLIGATIONS BY ACTIVITIES

Repair of Lake Greenleaf water supply for Camp Gruber, Okla.—1955, \$85,255.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
ALLOCATION TO DEPARTMENT OF THE ARMY			
07 Other contractual services: Services performed by other agencies.....		\$85,255	

ANALYSIS OF EXPENDITURES

Obligations incurred during the year (total expenditures out of prior authorizations)—1955, \$85,255.

Smoke Jumper Facilities, Forest Service

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Unobligated balance brought forward.....	\$113,289	\$23,649	
Unobligated balance carried forward.....	-23,649		
Obligations incurred.....	89,640	23,649	

OBLIGATIONS BY ACTIVITIES

Construction of smoke-jumper headquarters and air cargo supply base—1954, \$89,640; 1955, \$23,649.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
Average number of all employees.....	3	1	
Number of employees at end of year.....	3		
01 Personal services:			
Permanent positions.....	\$13,410	\$3,126	
Positions other than permanent.....	1,559	874	
Total personal services.....	14,969	4,000	
02 Travel.....	543	200	
03 Transportation of things.....	272		
08 Supplies and materials.....	11,383	10,000	
09 Equipment.....	307		
10 Lands and structures.....	62,113	9,449	
15 Taxes and assessments.....	53		
Obligations incurred.....	89,640	23,649	

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954 are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$459,610	\$23,672	\$2,321
Obligations incurred during the year.....	89,640	23,649	
	549,250	47,321	2,321

ANALYSIS OF EXPENDITURES—continued

	1954 actual	1955 estimate	1956 estimate
Obligated balance carried forward.....	-\$23,672	-\$2,321	
Total expenditures (out of prior authorizations).....	525,578	45,000	\$2,321

Allotments and Allocations Received From Other Appropriation Accounts

NOTE.—Obligations incurred under allotments and allocations from other appropriations are shown in the schedule of the parent appropriations, as follows:

“Watershed protection, Soil Conservation Service.”
 “Flood prevention, Soil Conservation Service.”
 “Agricultural conservation program, Agriculture.”
 “Forest highways, Bureau of Public Roads.”
 “Construction, general, Corps of Engineers, civil,” Army.
 “Maintenance and operations, Army.”
 “Procurement and production, Army.”
 “Research and development, Army.”
 “Maintenance and operations, Air Force.”
 “Research and development, Air Force.”
 “Aircraft and related procurement, Air Force.”
 “Aircraft and facilities, Navy.”
 “Civil engineering, Navy.”
 “Service-wide operations, Navy.”
 “Service-wide supply and finance, Navy.”
 “Ships and facilities, Navy.”
 “Operations, Federal Civil Defense Administration.”
 “Plant and equipment, Atomic Energy Commission.”
 “Management and protection, National Park Service.”
 “Army industrial fund.”
 “Mutual security, funds appropriated to the President.”

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

Conservation Operations, Soil Conservation Service

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U. S. C. 590a–590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the silting of reservoirs); operation of conservation nurseries; classification and mapping of soils; dissemination of information; purchase and erection or alteration of permanent buildings; operation and maintenance of aircraft; and furnishing of subsistence to employees; **\$59,085,671** \$55,696,200: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$2,500, except for eight buildings to be constructed or improved at a cost not to exceed \$15,000 per building and except that alterations or improvements to other existing permanent buildings costing \$2,500 or more may be made in any fiscal year in an amount not to exceed \$500 per building: *Provided further*, That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further*, That in the State of Missouri, where the State has established a central State agency authorized to enter into agreements with the United States or any of its agencies on policies and general programs for the saving of its soil by the extension of Federal aid to any soil conservation district in such State, the agreements made by or on behalf of the United States with any such soil conservation district shall have the prior approval of such central State agency before they shall become effective as to such district: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U. S. C. 590a–590f), in demonstration projects: *Provided further*, That not to exceed \$5,000 may be used for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a): *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service. (5 U. S. C. 511–512, 565a; 7 U. S. C. 1387; 16 U. S. C. 590q–1; Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

Appropriated 1955, **\$59,085,671**Estimate 1956, **\$55,696,200**

•Excludes \$1,503,800 for activities transferred in the estimates to the following appropriations:

“Flood prevention, Soil Conservation Service”..... \$1,500,000
 “Salaries and expenses, Office of Information, Agriculture”..... 3,800
 The amounts obligated in 1954 and 1955 are shown in the schedule as comparative transfers.

SOIL CONSERVATION SERVICE—Continued

CONSERVATION OPERATIONS—continued

Conservation Operations, Soil Conservation Service—Continued

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$60,944,014	\$59,085,671	\$55,696,200
Transferred to "Salaries and expenses, Bureau of Agricultural Economics," pursuant to Public Law 286.....	-224,500		
Adjusted appropriation or estimate.....	60,719,514	59,085,671	55,696,200
Unobligated balance brought forward.....		1,220,993	
Reappropriation of prior year balance.....	1,097,883		
Reimbursements from non-Federal sources.....	369,928	420,333	400,000
Reimbursements from other accounts.....	1,127,470	1,084,704	1,100,000
Total available for obligation.....	64,214,795	61,811,701	57,196,200
Unobligated balance carried forward.....	-1,220,993		
Unobligated balance, estimated savings.....	-1,050,815	-1,190,993	
Obligations incurred.....	61,942,987	60,620,708	57,196,200
Comparative transfer to— "Salaries and expenses, Agricultural Research Service": Direct appropriation.....	-618,393		
Reimbursements from non-Federal sources.....	-4,820		
Reimbursements from other accounts.....	-3,435		
"Salaries and expenses, Federal Extension Service": Direct appropriation.....	-25,055		
Reimbursements from non-Federal sources.....	-1,233,471		
Reimbursements from other accounts.....	-969		
"Flood prevention, Soil Conservation Service": Direct appropriation.....	-8,022		
Reimbursements from non-Federal sources.....	-1,443,381	-1,513,292	
Reimbursements from other accounts.....	-3,449	-200	
"Salaries and expenses, Office of Informa- tion, Agriculture": Reimbursements from other accounts.....	-7,638	-12,425	
Reimbursements from other accounts.....	-3,800	-3,800	
Total obligations.....	58,590,554	59,090,991	57,196,200

NOTE.—Reimbursements from non-Federal sources above are from State, county, municipal, and private organizations for soil and water conservation work rendered under cooperative agreements (5 U. S. C. 118e; 16 U. S. C. 590a-590f); from Government agencies, farmers, or other persons for reproduction of aerial and other photographs, mosaics, and soils, land-use, and other maps (7 U. S. C. 1387); and from proceeds of sale of personal property (40 U. S. C. 431(c)).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Assistance to soil conservation districts and other cooperators.....	\$56,345,326	\$57,568,579	\$55,696,200
2. Emergency channel restoration in flood stricken areas.....	776,163	30,000	
3. Obligations under reimbursements from non-Federal sources.....	360,690	420,133	400,000
Total direct obligations.....	57,482,179	58,018,712	56,096,200
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. Assistance to soil conservation districts and other cooperators.....	1,108,375	1,072,279	1,100,000
Total obligations.....	58,590,554	59,090,991	57,196,200

PROGRAM AND PERFORMANCE

The Service, in cooperation with State and other agencies, aids in bringing about physical adjustments in land use to conserve soil and water resources, establish a permanent and balanced agriculture, and reduce the hazards of floods and sedimentation.

Proposed decreases are due to savings resulting from reductions in the number of area offices; simplification and standardization of cartographic techniques and procedures; and reassignment of personnel to work on other programs.

1. *Assistance to soil conservation districts and other cooperators.*—Assistance furnished soil conservation districts and other cooperators in developing and carrying

out locally adapted programs in the States and Territories consists in the main of the following: (a) surveys to provide physical land facts needed for farm and ranch conservation planning, and by other Federal, State, and local agencies and the public;

MAIN WORKLOAD FACTORS

[In millions of acres]

Type of survey	Total as of June 30, 1953	1954 actual	1955 estimate	1956 estimate
Soil surveys.....	423.5	34.8	38	40
Reconnaissance surveys.....	205.5	.8	1.2	1.5
Range surveys.....	17.1	4.5	6	7

(b) Technical assistance in developing and applying conservation farm and ranch plans which allow for the best possible use of the farmer's land, labor, equipment, and financial resources;

MAIN WORKLOAD FACTORS

	1954 actual	1955 estimate	1956 estimate
Number of soil conservation district co- operators.....	1,454,287	1,618,000	1,788,000
Soil conservation district cooperators having basic farm and ranch plans.....	974,463	1,018,000	1,069,000
Number of basic plans fully applied.....	162,336	194,000	234,000

(c) Loan of special equipment not otherwise readily available to the farmers; (d) streamflow forecasts as a basis for efficient seasonal utilization of water in the Western States; and (e) observational field testing of promising conservation plant materials.

2. *Emergency channel restoration in flood-stricken areas.*—Work consists of assistance in restoring the channel capacity of streams and waterways in agricultural areas damaged by floods and includes removing debris and sediment plugs from stream channels, cleaning and reconstructing irrigation canals, drainage ditches, headgates, and outlets, providing protection to stream banks to prevent channel changes, and construction of levees, dikes, barriers, and other stabilizing structures. The work in approved areas was completed in the 1954 calendar year and availability of the funds expired on December 31, 1954.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	12,546	12,333	11,824
Full-time equivalent of all other positions.....	652	580	486
Average number of all employees.....	10,744	10,623	10,149
Number of employees at end of year.....	12,284	11,840	11,385
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,488	\$4,491	\$4,516
Average grade.....	GS-6.4	GS-6.4	GS-6.4
Personal service obligations:			
Permanent positions.....	\$45,536,991	\$46,495,601	\$44,884,096
Positions other than permanent.....	1,842,639	1,693,013	1,418,139
Regular pay in excess of 52-week base.....	181,504	186,681	189,676
Payment above basic rates.....	129,193	207,405	205,089
Other payments for personal services.....	28,000		
Total personal service obligations.....	47,718,327	48,582,700	46,697,000
<i>Direct Obligations</i>			
01 Personal services.....	47,394,011	48,292,500	46,417,000
02 Travel.....	1,623,793	1,650,700	1,655,000
03 Transportation of things.....	404,224	347,100	301,000
04 Communication services.....	672,740	655,000	650,000
05 Rents and utility services.....	1,133,548	1,225,000	1,200,000
06 Printing and reproduction.....	295,728	355,800	350,000
07 Other contractual services.....	1,401,636	1,072,167	1,106,950
Services performed by other agencies.....	22,950	66,100	65,000
08 Supplies and materials.....	2,726,004	2,623,600	2,628,000
09 Equipment.....	1,726,676	1,640,500	1,635,000
10 Lands and structures.....	3,716	1,500	1,000
13 Refunds, awards, and indemnities.....	3,128	300	250
Awards for employee suggestions.....	530	8,000	8,000
15 Taxes and assessments.....	78,916	85,500	85,000
Subtotal.....	57,487,600	58,023,767	56,102,200

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations—Continued</i>			
Deduct charges for quarters and subsistence.....	\$5,421	\$5,055	\$6,000
Total direct obligations.....	57,482,179	58,018,712	56,096,200
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	324,316	290,200	280,000
02 Travel.....	20,578	17,500	16,000
03 Transportation of things.....	3,985	3,700	4,000
04 Communication services.....	1,339	1,900	2,000
05 Rents and utility services.....	53,479	54,800	51,000
06 Printing and reproduction.....	20	100	-----
07 Other contractual services.....	376,060	437,702	476,000
08 Supplies and materials.....	207,560	173,369	180,000
09 Equipment.....	120,903	92,708	91,000
15 Taxes and assessments.....	135	300	-----
Total obligations payable out of reimbursements from other accounts.....	1,108,375	1,072,279	1,100,000
Total obligations.....	58,590,554	59,090,991	57,196,200

ANALYSIS OF EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$5,801,843	\$6,165,510	\$6,250,181
Obligations incurred during the year.....	61,942,987	60,620,708	57,196,200
Adjustment in obligations of prior years.....	67,744,830	66,786,218	63,446,381
Reimbursements.....	-148,065	-----	-----
Obligated balance carried to certified claims account.....	-1,497,398	-1,505,037	-1,500,000
Obligated balance carried forward.....	-43,789	-----	-----
Obligated balance carried forward.....	-6,165,510	-6,250,181	-6,646,381
Total expenditures.....	59,890,068	59,031,000	55,300,000
Expenditures are distributed as follows:			
Out of current authorizations.....	59,890,068	53,432,000	49,700,000
Out of prior authorizations.....	-----	5,599,000	5,600,000

WATERSHED PROTECTION

Watershed Protection, Soil Conservation Service

For expenses necessary to conduct surveys, investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the *Watershed Protection and Flood Prevention Act, approved August 4, 1954 (Public Law 566)*, and the provisions of the Act of April 27, 1935 (16 U. S. C. 590a-590f), to remain available until expended, **[\$5,500,000] \$11,000,000**, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.*)

Appropriated 1955, **\$7,250,000** Estimate 1956, **\$11,000,000**
 Appropriated (adjusted) 1955, **\$7,210,000**

•Includes \$1,750,000 appropriated in Supplemental Appropriation Act, 1955.

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$5,000,000	\$7,250,000	\$11,000,000
Transferred to "Salaries and expenses, Office of the Solicitor, Agriculture," pursuant to Public Law 663.....	-----	-40,000	-----
Adjusted appropriation or estimate.....	5,000,000	7,210,000	11,000,000
Unobligated balance brought forward.....	-----	682,718	-----
Reimbursements from non-Federal sources.....	411	150	7,500
Reimbursements from other accounts.....	1,137	8,025	7,900
Total available for obligation.....	5,001,548	7,900,893	11,015,400
Unobligated balance carried forward.....	-682,718	-----	-----
Obligations incurred.....	4,318,830	7,900,893	11,015,400

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of personal property (40 U. S. C. 481 (c)).

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OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Watershed protection.....	\$4,317,282	\$7,892,718	\$11,000,000
2. Obligations under reimbursements from non-Federal sources.....	411	150	7,500
Total direct obligations.....	4,317,693	7,892,868	11,007,500
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. Watershed protection.....	1,137	8,025	7,900
Obligations incurred.....	4,318,830	7,900,893	11,015,400

PROGRAM AND PERFORMANCE

The Department cooperates with States and local public agencies, such as soil or water conservation districts, flood control districts, counties, and other local agencies, in planning and installing in small upstream watersheds, works of improvement designed to prevent erosion, floodwater, and sediment damage, and to further conservation, development, utilization, and disposal of water.

Works of improvement under Public Law 566, approved August 4, 1954, are to be installed only after an application by local interests has been reviewed and not disapproved by an authorized State organization or individual, field investigation has been made and necessary work plans and report prepared and submitted to the Congress which show a favorable cost-benefit ratio and local willingness to assume an equitable share of project costs and responsibility for maintenance of works of improvement. Technical assistance is then provided to farmers and ranchers in the watershed to accelerate establishment of soil and water conservation measures and sound land use measures such as waterflow-retarding structures, debris and desilting basins, diversion ditches and dikes, stream channel improvement, floodways, and gully-control structures are installed on a cost sharing basis.

The increase proposed would be used primarily for work on watersheds authorized pursuant to Public Law 566, August 4, 1954. Work on the pilot demonstration watersheds for which Congress provided funds to initiate this type of program in 1954 will be continued. This work relating to the pilot demonstration projects is located in 34 States.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>SOIL CONSERVATION SERVICE</i>			
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	203	463	709
Full-time equivalent of all other positions.....	58	75	96
Average number of all employees.....	301	573	876
Number of employees at end of year.....	378	650	991
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,829	\$4,394	\$4,280
Average grade.....	GS-7.4	GS-6.8	GS-6.5
Personal service obligations:			
Permanent positions.....	\$1,182,949	\$2,256,518	\$3,425,428
Positions other than permanent.....	160,866	210,078	286,338
Regular pay in excess of 52-week base.....	3,729	8,996	12,159
Payment above basic rates.....	5,236	25,608	23,575
Total personal service obligations.....	1,352,780	2,501,200	3,747,500
<i>Direct Obligations</i>			
01 Personal services.....	1,351,910	2,499,700	3,746,000
02 Travel.....	180,515	146,375	177,800
03 Transportation of things.....	24,668	41,600	46,500

SOIL CONSERVATION SERVICE—Continued

WATERSHED PROTECTION—continued

Watershed Protection, Soil Conservation Service—Continued

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
SOIL CONSERVATION SERVICE—continued			
<i>Direct Obligations—Continued</i>			
04 Communication services.....	\$13,133	\$28,300	\$35,300
05 Rents and utility services.....	4,742	26,100	56,500
06 Printing and reproduction.....	32,782	30,500	35,900
07 Other contractual services.....	2,203,236	4,113,170	5,760,500
Services performed by other agencies.....	3,442	27,000	22,600
08 Supplies and materials.....	83,936	210,400	286,700
09 Equipment.....	138,358	222,100	236,500
13 Refunds, awards, and indemnities.....	10	1,200	1,200
15 Taxes and assessments.....	3,574	6,000	7,000
Subtotal.....	4,040,306	7,352,445	10,412,500
Deduct charges for quarters and subsistence.....	190		
Total direct obligations.....	4,040,116	7,352,445	10,412,500
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	870	1,500	1,500
02 Travel.....		525	400
Total obligations payable out of reimbursements from other accounts.....	870	2,025	1,900
Obligations incurred.....	4,040,986	7,354,470	10,414,400
ALLOTMENT TO FOREST SERVICE			
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	4	8	8
Full-time equivalent of all other positions.....	19	73	73
Average number of all employees.....	34	92	92
Number of employees at end of year.....	63	73	73
<i>Average salaries and grades:</i>			
General schedule grades.....			
Average salary.....	\$5,315	\$4,918	\$4,918
Average grade.....	GS-8.3	GS-6.8	GS-6.8
<i>Personal service obligations:</i>			
Permanent positions.....	\$74,240	\$82,978	\$82,978
Positions other than permanent.....	46,796	152,776	152,776
Regular pay in excess of 52-week base.....	135	171	171
Payment above basic rates.....	67	45	180
Total personal service obligations.....	121,238	235,970	236,105
<i>Direct Obligations</i>			
01 Personal services.....	120,971	232,970	233,105
02 Travel.....	17,436	28,294	28,550
03 Transportation of things.....	3,009	5,891	6,000
04 Communication services.....	2,779	3,518	3,550
05 Rents and utility services.....	1,905	2,303	2,320
06 Printing and reproduction.....	406	640	650
07 Other contractual services.....	22,183	31,750	32,150
Services performed by other agencies.....	444		
08 Supplies and materials.....	60,939	110,989	113,975
09 Equipment.....	3,675	3,693	3,700
10 Lands and structures.....	1,776	4,734	4,800
11 Grants, subsidies, and contributions.....	21,259	64,460	65,000
15 Taxes and assessments.....	795	1,181	1,200
Total direct obligations.....	257,577	490,423	495,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	267	3,000	3,000
02 Travel.....		300	300
03 Transportation of things.....		250	250
07 Other contractual services.....		1,000	1,000
08 Supplies and materials.....		1,405	1,405
15 Taxes and assessments.....		45	45
Total obligations payable out of reimbursements from other accounts.....	267	6,000	6,000
Obligations incurred.....	257,844	496,423	501,000
ALLOCATION TO AGRICULTURAL RESEARCH SERVICE			
Total number of permanent positions.....	1	7	14
Average number of all employees.....	2	6	13
Number of employees at end of year.....	1	6	13

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
ALLOCATION TO AGRICULTURAL RESEARCH SERVICE—continued			
<i>Average salaries and grades:</i>			
General schedule grades.....			
Average salary.....	\$5,940	\$6,696	\$6,526
Average grade.....	GS-11.0	GS-11.0	GS-10.4
01 Personal services:			
Permanent positions.....	\$15,571	\$39,620	\$79,540
Regular pay in excess of 52-week base.....	24	180	300
Total personal services.....	15,595	39,800	79,840
02 Travel.....	4,338	7,600	15,000
04 Communication services.....	25	100	200
06 Printing and reproduction.....	30		
07 Other contractual services.....		2,400	4,800
15 Taxes and assessments.....	12	100	160
Obligations incurred.....	20,000	50,000	100,000
SUMMARY			
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	208	478	731
Full-time equivalent of all other positions.....	77	148	169
Average number of all employees.....	337	671	981
Number of employees at end of year.....	442	729	1,077
<i>Average salaries and grades:</i>			
General schedule grades.....			
Average salary.....	\$4,844	\$4,446	\$4,330
Average grade.....	GS-7.4	GS-6.8	GS-6.6
<i>Personal service obligations:</i>			
Permanent positions.....	\$1,272,760	\$2,379,116	\$3,587,946
Positions other than permanent.....	207,662	362,854	439,114
Regular pay in excess of 52-week base.....	3,888	9,347	12,630
Payment above basic rates.....	5,303	25,653	23,755
Total personal service obligations.....	1,489,613	2,776,970	4,063,445
<i>Direct Obligations</i>			
01 Personal services.....	1,488,476	2,772,470	4,058,945
02 Travel.....	202,289	182,269	221,350
03 Transportation of things.....	27,677	47,491	52,500
04 Communication services.....	15,937	31,918	39,050
05 Rents and utility services.....	6,647	28,403	58,820
06 Printing and reproduction.....	33,218	31,140	36,550
07 Other contractual services.....	2,225,419	4,147,320	5,797,450
Services performed by other agencies.....	3,886	27,000	22,600
08 Supplies and materials.....	144,875	321,389	400,675
09 Equipment.....	142,033	225,793	240,200
10 Lands and structures.....	1,776	4,734	4,800
11 Grants, subsidies, and contributions.....	21,259	64,460	65,000
13 Refunds, awards, and indemnities.....	10	1,200	1,200
15 Taxes and assessments.....	4,381	7,281	8,360
Subtotal.....	4,317,883	7,892,865	11,007,500
Deduct charges for quarters and subsistence.....	190		
Total direct obligations.....	4,317,693	7,892,868	11,007,500
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	1,137	4,500	4,500
02 Travel.....		825	700
03 Transportation of things.....		250	250
07 Other contractual services.....		1,000	1,000
08 Supplies and materials.....		1,405	1,405
15 Taxes and assessments.....		45	45
Total obligations payable out of reimbursements from other accounts.....	1,137	8,025	7,900
Obligations incurred.....	4,318,830	7,900,893	11,015,400
ANALYSIS OF EXPENDITURES			
(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)			
	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....		\$2,215,054	\$2,157,772
Obligations incurred during the year.....	\$4,318,830	7,900,893	11,015,400
	4,318,830	10,115,947	13,173,172
Reimbursements.....	-1,548	-8,175	-15,400
Obligated balance carried forward.....	-2,215,054	-2,157,772	-3,327,772
Total expenditures.....	2,102,228	7,950,000	9,830,000
<i>Expenditures are distributed as follows:</i>			
Out of current authorizations.....	2,102,228	5,070,000	7,730,000
Out of prior authorizations.....		2,880,000	2,100,000

FLOOD PREVENTION

Flood Prevention, Soil Conservation Service

For expenses necessary, in accordance with the Flood Control Act, approved June 22, 1936 (Public Law 738), as amended and supplemented, and in accordance with the provisions of laws relating to the activities of the Department, [to make preliminary examinations and surveys, and] to perform works of improvement, [and to plan the agricultural phases of the development of the Arkansas-White-Red River area, the New England-New York area,] including not to exceed \$100,000 for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates for individuals not to exceed \$100 per diem, to remain available until expended, [\$7,482,000] \$8,700,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided*, That no part of such funds shall be used for the purchase of lands in the Yazoo and Little Tallahatchie watersheds without specific approval of the county board of supervisors of the county in which such lands are situated [, nor shall any part of such funds be used for the purchase of lands in the counties of Adair, Cherokee, and Sequoyah, in the State of Oklahoma, and Neosho, Cottonwood, Verdigris, Caney, and tributaries in Kansas, without the specific approval of the Board of County Commissioners of the county in which such lands are situated]: *Provided further*, That [of] the funds available herein [, not in excess of \$6,504,500] (with which shall be merged the unexpended balances of funds heretofore made available for these purposes) may be expended in watersheds heretofore authorized by section 13 of the Flood Control Act of December 22, 1944, for necessary gully control, floodwater detention, and floodway structures in areas other than those over which the Department of the Army has jurisdiction and responsibility. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.*)

Appropriated 1955, \$7,482,000

Estimate 1956, \$8,700,000

• Includes \$1,700,000 for activities previously carried under the following appropriations:
 "Conservation operations, Soil Conservation Service" \$1,500,000
 "Salaries and expenses, Forest Service" 200,000
 The amounts obligated in 1954 and 1955 are shown in the schedule as comparative transfers.

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate	\$7,000,000	\$7,482,000	\$8,700,000
Unobligated balance brought forward	1,096,380	2,039,674	
Recovery of prior year obligations	4,473		
Reimbursements from non-Federal sources	13,557	2,900	4,400
Reimbursements from other accounts	21,471	11,136	23,000
Total available for obligation	8,135,881	9,535,710	8,727,400
Unobligated balance carried forward	-2,039,674		
Obligations incurred	6,096,207	9,535,710	8,727,400
Comparative transfer from—			
"Conservation operations, Soil Conservation Service":			
Direct appropriation	1,443,381	1,513,292	
Reimbursements from non-Federal sources	3,449	200	
Reimbursements from other accounts	7,638	12,425	
"Salaries and expenses, Forest Service"	272,972	200,000	
"Forest roads and trails, Forest Service"	69,538		
Comparative transfer to "Salaries and expenses, Office of the Solicitor, Agriculture"	-18,000		
Total obligations	7,875,185	11,261,627	8,727,400

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of personal property (40 U. S. C. 481 (c)).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Preliminary examinations and surveys	\$425,382	\$315,354	
2. Works of improvement	7,235,094	10,596,514	\$8,700,000
3. General basin investigations in the Arkansas-White-Red River and New England-New York areas	168,594	323,098	
4. Obligations under reimbursements from non-Federal sources	17,006	3,100	4,400
Total direct obligations	7,846,076	11,238,066	8,704,400

OBLIGATIONS BY ACTIVITIES—continued

Description	1954 actual	1955 estimate	1956 estimate
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. Preliminary examinations and surveys	\$20,577		
2. Works of improvement	8,532	\$23,561	\$23,000
Total obligations payable out of reimbursements from other accounts	29,109	23,561	23,000
Total obligations	7,875,185	11,261,627	8,727,400

PROGRAM AND PERFORMANCE

The aim of the Department's flood-prevention work on watersheds is to prevent or reduce floodwater and sediment damage in upstream areas and to reduce sedimentation of river channels and reservoirs.

1. *Preliminary examinations and surveys.*—The Department has been making preliminary examinations and surveys of authorized watersheds to determine flood damage occurring and whether the benefits resulting from installation of a program of works of improvement in each watershed would exceed the cost of installing the improvement measures. As a result of the enactment of Public Law 566, approved August 4, 1954, all survey work has been discontinued with the exception of the review surveys on six of the watersheds where works of improvement programs are presently underway. The review surveys are planned for completion in the 1955 fiscal year.

2. *Works of improvement.*—Improvement measures recommended in survey reports were authorized for installation on eleven watersheds by the Flood Control Act of 1944. Measures primarily for flood prevention, such as flood-water-retarding and sediment-control structures, debris barriers and basins, deflectors, diversion ditches and dikes, riprapping of stream banks, and other channel improvements, are being installed in these watersheds, usually by private contractors, on a cost-sharing basis with local interests. Land treatment measures which contribute to flood prevention are installed by private owners with technical and other assistance being provided by the Department under this and other conservation programs. Measures installed on the watersheds are complementary to the mainstream flood-control structures and works constructed by the Corps of Engineers and other agencies.

3. *General basin investigations in the Arkansas-White-Red River, and New England-New York areas.*—In cooperation with the respective States involved and other Federal agencies, the Department is participating in the preparation of the agricultural phases of comprehensive resource development plans for the Arkansas-White-Red River and the New England-New York areas. It is planned that all field investigations under this item will have been completed and the reports prepared by the end of the 1955 fiscal year.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>SOIL CONSERVATION SERVICE</i>			
<i>Summary of Personal Services</i>			
Total number of permanent positions	664	650	598
Full-time equivalent of all other positions	112	134	125
Average number of all employees	681	765	713
Number of employees at end of year	526	840	835

SOIL CONSERVATION SERVICE—Continued

FLOOD PREVENTION—continued

Flood Prevention, Soil Conservation Service—Continued

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
SOIL CONSERVATION SERVICE—continued			
<i>Summary of Personal Services—Con.</i>			
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,481	\$4,426	\$4,418
Average grade.....	GS-6.4	GS-6.4	GS-6.3
Personal service obligations:			
Permanent positions.....	\$2,523,249	\$2,814,633	\$2,599,336
Positions other than permanent.....	282,736	330,749	307,469
Regular pay in excess of 52-week base.....	9,781	11,221	10,556
Payment above basic rates.....	12,203	19,433	17,639
Total personal service obligations.....	2,827,969	3,176,036	2,935,000
<i>Direct Obligations</i>			
01 Personal services.....	2,820,396	3,175,900	2,935,000
02 Travel.....	122,102	141,000	130,000
03 Transportation of things.....	31,562	24,800	21,000
04 Communication services.....	30,735	31,300	30,000
05 Rents and utility services.....	50,251	77,700	75,000
06 Printing and reproduction.....	23,769	38,000	16,800
07 Other contractual services.....	2,752,703	5,770,639	3,894,700
Services performed by other agencies.....	33,900	68,000	65,000
08 Supplies and materials.....	359,781	425,300	402,100
09 Equipment.....	231,982	83,400	118,000
13 Refunds, awards, and indemnities.....	372		
15 Taxes and assessments.....	7,217	10,300	8,800
Subtotal.....	6,464,770	9,846,339	7,696,400
Deduct charges for quarters and subsistence.....	105		
Total direct obligations.....	6,464,665	9,846,339	7,696,400
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	7,573	136	
07 Other contractual services.....	4,739	7,702	7,470
08 Supplies and materials.....	2,319	3,031	2,930
09 Equipment.....	580	1,692	1,600
Total obligations payable out of reimbursements from other accounts.....	15,211	12,561	12,000
Total obligations.....	6,479,876	9,858,900	7,708,400
ALLOTMENT TO FOREST SERVICE			
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	126	107	104
Full-time equivalent of all other positions.....	139	150	59
Average number of all employees.....	257	261	167
Number of employees at end of year.....	142	137	120
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,934	\$4,680	\$4,704
Average grade.....	GS-7.1	GS-6.6	GS-6.6
Ungraded positions: Average salary.....	\$3,679	\$3,626	\$3,626
Personal service obligations:			
Permanent positions.....	\$514,425	\$471,429	\$455,543
Positions other than permanent.....	287,975	318,041	123,645
Regular pay in excess of 52-week base.....	1,979	1,805	1,752
Payment above basic rates.....	21,817	1,645	1,990
Total personal service obligations.....	826,196	792,920	582,930
<i>Direct Obligations</i>			
01 Personal services.....	814,606	783,720	573,730
02 Travel.....	26,460	29,215	15,600
03 Transportation of things.....	3,049	3,500	2,100
04 Communication services.....	5,484	5,965	4,000
05 Rents and utility services.....	8,404	8,325	6,400
06 Printing and reproduction.....	124	100	100
07 Other contractual services.....	157,829	171,633	138,119
Services performed by other agencies.....	1,381		
08 Supplies and materials.....	261,686	319,541	237,291
09 Equipment.....	22,878	18,180	15,000
11 Grants, subsidies, and contributions.....	13,162	17,172	13,000
13 Refunds, awards, and indemnities.....	25		
15 Taxes and assessments.....	4,730	4,911	3,900
Subtotal.....	1,319,818	1,362,262	1,009,240
Deduct charges for quarters and subsistence.....	1,443	1,240	1,240
Total direct obligations.....	1,318,375	1,361,022	1,008,000

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
ALLOTMENT TO FOREST SERVICE—con.			
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	\$11,590	\$9,200	\$9,200
02 Travel.....	1,637	1,300	1,300
03 Transportation of things.....	589	500	500
08 Supplies and materials.....	75		
15 Taxes and assessments.....	7		
Total obligations payable out of reimbursements from other accounts.....	13,898	11,000	11,000
Total obligations.....	1,332,273	1,372,022	1,019,000
ALLOTMENT TO FARMERS' HOME ADMINISTRATION			
Number of employees at end of year.....			
01 Personal services: Permanent positions (total obligations).....	\$1,484		
ALLOTMENT TO AGRICULTURAL RESEARCH SERVICE			
Total number of permanent positions.....	11	3	
Average number of all employees.....	9	4	
Number of employees at end of year.....	7	3	
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$6,090	\$6,485	
Average grade.....	GS-9.2	GS-9.3	
01 Personal services:			
Permanent positions.....	\$58,504	\$27,244	
Positions other than permanent.....	286		
Regular pay in excess of 52-week base.....	363	78	
Total personal services.....	59,153	27,322	
02 Travel.....	2,364	1,700	
06 Printing and reproduction.....	3		
07 Other contractual services.....	4		
Services performed by other agencies.....		1,650	
15 Taxes and assessments.....	28	33	
Total obligations.....	61,552	30,705	
SUMMARY			
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	801	760	702
Full-time equivalent of all other positions.....	251	284	184
Average number of all employees.....	947	1,030	880
Number of employees at end of year.....	675	980	955
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,560	\$4,458	\$4,445
Average grade.....	GS-6.5	GS-6.4	GS-6.3
Personal service obligations:			
Permanent positions.....	\$3,097,662	\$3,313,306	\$3,054,879
Positions other than permanent.....	570,997	648,790	431,114
Regular pay in excess of 52-week base.....	12,123	13,104	12,308
Payment above basic rates.....	34,020	21,078	19,629
Total personal service obligations.....	3,714,802	3,996,278	3,517,930
<i>Direct Obligations</i>			
01 Personal services.....	3,695,639	3,986,942	3,508,730
02 Travel.....	150,926	171,915	145,600
03 Transportation of things.....	34,611	28,300	23,100
04 Communication services.....	36,219	37,265	34,000
05 Rents and utility services.....	58,655	86,025	81,400
06 Printing and reproduction.....	23,896	38,100	16,900
07 Other contractual services.....	2,910,536	5,942,272	4,032,819
Services performed by other agencies.....	35,281	69,650	65,000
08 Supplies and materials.....	621,467	744,841	639,391
09 Equipment.....	254,860	101,580	133,000
11 Grants, subsidies, and contributions.....	13,162	17,172	13,000
13 Refunds, awards, and indemnities.....	397		
15 Taxes and assessments.....	11,975	15,244	12,700
Subtotal.....	7,847,624	11,239,306	8,705,640
Deduct charges for quarters and subsistence.....	1,548	1,240	1,240
Total direct obligations.....	7,846,076	11,238,066	8,704,400
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	19,163	9,336	9,200
02 Travel.....	1,637	1,300	1,300
03 Transportation of things.....	589	500	500
07 Other contractual services.....	4,739	7,702	7,470

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
SUMMARY—continued			
<i>Obligations Payable Out of Reimbursements From Other Accounts—Continued</i>			
08 Supplies and materials.....	\$2,394	\$3,031	\$2,930
09 Equipment.....	580	1,692	1,600
15 Taxes and assessments.....	7		
Total obligations payable out of reimbursements from other accounts.....	29,109	23,561	23,000
Total obligations.....	7,875,185	11,261,627	8,727,400

ANALYSIS OF EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$2,689,614	\$2,104,874	\$2,826,548
Obligations incurred during the year.....	6,096,207	9,535,710	8,727,400
	8,785,821	11,640,584	11,553,948
Adjustment in obligations of prior years.....	-4,473		
Reimbursements.....	-35,023	-14,036	-27,400
Obligated balance carried forward.....	-2,104,874	-2,826,548	-3,086,548
Total expenditures.....	6,641,446	8,800,000	8,440,000
Expenditures are distributed as follows:			
Out of current authorizations.....	6,641,446	4,800,000	5,700,000
Out of prior authorizations.....		4,000,000	2,740,000

【WATER CONSERVATION AND UTILIZATION PROJECTS】

Water Conservation and Utilization Projects, Soil Conservation Service

【For expenses necessary to carry out the functions of the Department under the Acts of May 10, 1939 (53 Stat. 685, 719), October 14, 1940 (16 U. S. C. 590y-z-10), as amended and supplemented, June 28, 1949 (Public Law 132), and September 6, 1950 (7 U. S. C. 1033-1039), relating to water conservation and utilization projects, to remain available until expended, \$480,000, which sum shall be merged with the unexpended balances of funds heretofore appropriated to said Department for the purposes of said Acts.】 (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.*)

Appropriated 1955, \$480,000

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$685,000	\$480,000	
Unobligated balance brought forward.....	56,404	324,955	\$319,044
Reimbursements from non-Federal sources.....	1,451		
Reimbursements from other accounts.....	1,707	3,085	800
Total available for obligation.....	744,562	808,040	319,844
Unobligated balance carried forward.....	-324,955	-319,044	
Obligations incurred.....	419,607	488,996	319,844

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sale of personal property (40 U. S. C. 481 (c)).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Land development.....	\$381,555	\$450,911	\$279,044
2. Land management, settlement, and technical guidance.....	34,894	35,000	40,000
3. Obligations under reimbursements from non-Federal sources.....	1,451		
Total direct obligations.....	417,900	485,911	319,044
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. Land development.....	1,707	3,085	800
Obligations incurred.....	419,607	488,996	319,844

PROGRAM AND PERFORMANCE

In cooperation with the Bureau of Reclamation, which constructs the dams, reservoirs, and principal canals, the Service develops efficient irrigation farming units on these specific projects for ultimate sale.

1. *Land development.*—Land classification and topographic surveys are made, and project lands are subdivided into farm units of economic size. The land is cleared and leveled, and farm ditches, drains, and other water-control structures are built. Of the two remaining projects, one is scheduled for completion in 1956 and the other in 1958. Funds appropriated in prior years, which will be carried over into the 1956 fiscal year, are sufficient to continue operations without an additional appropriation in 1956.

2. *Land management, settlement, and technical guidance.*—In order to protect and improve Government-owned project lands, developed farm units are leased to local people under specific use conditions or are planted to protective cover crops pending their sale to qualified farm families. Technical guidance on irrigation and conservation is furnished until the project is closed.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	45	47	26
Full-time equivalent of all other positions.....	38	44	26
Average number of all employees.....	74	86	52
Number of employees at end of year.....	97	64	55
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,331	\$4,074	\$3,991
Average grade.....	GS-6.0	GS-5.6	GS-5.3
Personal service obligations:			
Permanent positions.....	\$159,176	\$178,165	\$109,422
Positions other than permanent.....	129,977	141,269	100,800
Regular pay in excess of 52-week base.....	268	621	337
Payment above basic rates.....	19,586	31,245	23,141
Total personal service obligations.....	309,007	351,300	233,700
<i>Direct Obligations</i>			
01 Personal services.....	309,007	349,000	233,700
02 Travel.....	6,469	5,900	4,000
03 Transportation of things.....	3,482	2,500	2,000
04 Communication services.....	2,022	1,800	1,000
05 Rents and utility services.....	4,270	5,100	3,000
06 Printing and reproduction.....	820	1,000	1,000
07 Other contractual services.....	7,104	16,336	4,200
08 Supplies and materials.....	65,110	88,312	65,244
09 Equipment.....	13,786	15,000	5,000
10 Lands and structures.....	5,256		
15 Taxes and assessments.....	2,716	4,300	3,000
Subtotal.....	420,042	489,248	322,144
Deduct charges for quarters and subsistence.....	2,142	3,337	3,100
Total direct obligations.....	417,900	485,911	319,044
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....		2,300	
05 Rents and utility services.....	91		
07 Other contractual services.....	1,616	785	800
Total obligations payable out of reimbursements from other accounts.....	1,707	3,085	800
Obligations incurred.....	419,607	488,996	319,844

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$56,818	\$47,231	\$85,342
Obligations incurred during the year.....	419,607	488,996	319,844
	476,425	536,227	405,186
Reimbursements.....	-3,158	-3,085	-800
Obligated balance carried forward.....	-47,231	-85,342	-54,386
Total expenditures.....	426,036	447,800	350,000

SOIL CONSERVATION SERVICE—Continued**[WATER CONSERVATION AND UTILIZATION PROJECTS]—continued****Water Conservation and Utilization Projects, Soil Conservation Service—Continued****ANALYSIS OF EXPENDITURES—continued**

	1954 actual	1955 estimate	1956 estimate
Expenditures are distributed as follows:			
Out of current authorizations.....	\$426,036	\$77,000	-----
Out of prior authorizations.....		370,800	\$350,000

Miscellaneous**Allotments and Allocations Received From Other Appropriation Accounts**

NOTE.—Obligations incurred under allotments and allocations from other appropriations are shown in the schedules of the parent appropriations, as follows:

- "Agricultural conservation program, Agriculture."
- "Maintenance and operations, Army."
- "Maintenance and operations, Air Force."
- "Construction and rehabilitation, Bureau of Reclamation."
- "Mutual security, funds appropriated to the President."

AGRICULTURAL CONSERVATION PROGRAM SERVICE**Agricultural Conservation Program, Agriculture**

For necessary expenses to carry into effect the provisions of section 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U. S. C. 590g–590q), including not to exceed \$6,000 for the preparation and display of exhibits, including such displays at State, interstate and international fairs within the United States; **[\$191,700,000] \$250,000,000**, which shall be reduced by an amount equal to that portion of the loan from the Commodity Credit Corporation for advance purchases of conservation materials and services under the 1955 program which can be repaid from funds not used for the 1953 program, to remain available until December 31 of the next succeeding fiscal year for compliance with the program of soil-building practices and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act [1954] 1955, carried out during the period July 1, [1953] 1954, to December 31, [1954] 1955, inclusive: *Provided*, That not to exceed **[\$22,500,000] \$23,000,000** of the total sum provided under this head shall be available during the current fiscal year for salaries and other administrative expenses for carrying out such program, the cost of aerial photographs, however, not to be charged to such limitation; but not more than **[\$4,020,000] \$4,520,000** shall be transferred to the appropriation account, "Administrative expenses, section 392, Agricultural Adjustment Act of 1938", and for the 1956 program an amount not to exceed 5 per centum of the amount of funds available for payments under the 1956 program for the State shall be available for transfer to any Federal, State, or local public agency for services of technicians in formulating and carrying out the agricultural conservation program, but such use of these funds may be made only on the recommendation of the county committee and approval of the State committee: *Provided further*, That payments to claimants hereunder may be made upon the certificate of the claimant, which certificate shall be in such form as the Secretary may prescribe, that he has carried out the conservation practice or practices and has complied with all other requirements as conditions for such payments and that the statements and information contained in the application for payment are correct and true, to the best of his knowledge and belief, under the penalties of title 18, United States Code: *Provided further*, That none of the funds herein appropriated or made available for the functions assigned to the Agricultural Adjustment Agency pursuant to the Executive Order Numbered 9069, of February 23, 1942, shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That such amount shall be available for salaries and other administrative expenses in connection with the formulation and administration of the [1955] 1956 program of soil-building practices and soil- and water-conserving practices, under the Act of February 29, 1936, as amended (amounting to **[\$250,000,000] \$175,000,000**, including administration, [but of this amount not more than \$195,000,000 may be used until a final program has been adopted relative to the use of acreage diverted from production,] and formulated on the basis of a distribution of the funds available for payments and grants among the several States

in accordance with their conservation needs as determined by the Secretary, except that the proportion allocated to any State shall not be reduced more than 15 per centum from the distribution for the next preceding program year, but none of such funds may be used for the increase in payment authorized in section 8 (c) of the Soil Conservation and Domestic Allotment Act, as amended, and no participant shall receive more than \$1,500: *Provided*, That the funds available for payments and grants from said sum of \$195,000,000 shall be distributed among the several States in the same proportion as the original allocation of funds for payments and grants for the 1954 agricultural conservation program] except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community); but the payments or grants under such programs shall be conditioned upon the utilization of land with respect to which such payments or grants are to be made in conformity with farming practices which will encourage and provide for soil-building and soil- and water-conserving practices in the most practical and effective manner and adapted to conditions in the several States, as determined and approved by the State committees appointed pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590h (b)), for the respective States: *Provided further*, That not to exceed 5 per centum of the allocation for the 1955 agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and the funds so allotted may be placed in a single account for each State, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties: *Provided further*, That for the [1955] 1956 program **[\$2,500,000]** shall be available for technical assistance in formulating and carrying out agricultural conservation practices and **[\$1,000,000]** shall be available for conservation practices related directly to flood prevention work in approved watersheds: *Provided further*, That in carrying out the 1955 program the Secretary shall give particular consideration to the conservation problems on farm lands diverted from crops under acreage-allotment programs: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels. (Act of Aug. 28, 1954, Public Law 690; Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

Appropriated 1955, \$191,700,000	Estimate 1956, \$250,000,000
	Less estimated reduction due to availability of balances under the 1953 program-----
	\$34,000,000
	Estimate (adjusted) 1956, \$216,000,000

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$226,982,000	\$191,700,000	\$250,000,000
Reduction due to availability of balances under 1953 program.....	-----	-----	34,000,000
Adjusted appropriation or estimate (1954 and 1955, definite; 1956, indefinite).....	226,982,000	191,700,000	216,000,000
Unobligated balance brought forward.....	5,464,902	3,292,934	-----
Unobligated balance transferred to "Foot- and-mouth and other contagious dis- eases of animals and poultry, Agricul- tural Research Administration," pur- suant to 67 Stat. 223 and Public Law 437.	-2,172,134	-1,197,481	-----
Recovery of prior year obligations.....	148,608	227,668	-----
Reimbursements from non-Federal sources.....	328,083	300,000	300,000
Reimbursements from other accounts.....	120,063	144,000	144,000

AMOUNTS AVAILABLE FOR OBLIGATION—continued

	1954 actual	1955 estimate	1956 estimate
Reimbursements from Commodity Credit Corporation.....	\$30, 143, 881	\$43, 450, 000	\$43, 450, 000
Total available for obligation.....	261, 015, 403	237, 917, 121	259, 894, 000
Unobligated balance carried forward.....	-3, 292, 934		
Unobligated balance, estimated savings.....		-2, 311, 121	
Obligations incurred.....	257, 722, 469	235, 606, 000	259, 894, 000

NOTE.—There are available as a credit to the appropriation receipts from sales of aerial photographs (7 U. S. C. 1387).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Cost-sharing assistance to farmers.....	\$195, 315, 659	\$209, 006, 119	\$250, 000, 000
2. Emergency wind control measures.....	15, 000, 000		
3. Farmland restoration in flood-stricken areas.....	148, 442	12, 000	
4. Payments of loan from Commodity Credit Corporation.....	46, 810, 222	26, 143, 881	9, 450, 000
5. Obligations under reimbursements from non-Federal sources.....	328, 083	300, 000	300, 000
Total direct obligations.....	257, 602, 406	235, 462, 000	259, 750, 000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. Cost-sharing assistance to farmers.....	120, 063	144, 000	144, 000
Obligations incurred.....	257, 722, 469	235, 606, 000	259, 894, 000

PROGRAM AND PERFORMANCE

This program is designed to encourage conservation by sharing with farmers and ranchers the cost of applying approved measures considered as needed in the public interest and which farmers generally would not perform adequately with their own resources.

Funds are distributed among the States and Territories on the basis of conservation needs. The rate of cost-sharing averages less than 50 percent of the cost. Cost-sharing may be in the form of a payment upon completion of the practice, or by furnishing materials or services. Conservation measures include primarily: (1) Establishment of permanent protective cover, (2) improvement and protection of established vegetative cover, (3) conservation and disposal of water, (4) establishment of temporary vegetative cover, and (5) temporary protection of soil from wind and water erosion.

A program is developed for each State and county by the State and county agricultural stabilization and conservation committees, and representatives of the Soil Conservation Service and of the Forest Service, in consultation with representatives of the land-grant colleges, Farmers' Home Administration, State soil conservation committees, local soil conservation districts, the Agricultural Extension Service, and other State or Federal agricultural agencies. The program is administered by farmer-elected county and community committeemen with responsibility assumed by the Soil Conservation Service and Forest Service for the technical phases of permanent-type practices in their respective fields.

Loans from the Commodity Credit Corporation to the Secretary of Agriculture are used to make advances for the purchase of conservation materials or services from January 1 to June 30 of each year; repayment with interest is made during the current fiscal year from balances available from prior years' appropriations or in the succeeding fiscal year from the new funds appropriated.

SCHEDULE OF LOANS AND REPAYMENTS

	Fiscal year 1953	Fiscal year 1954	Fiscal year 1955	Total
Received from loan from Commodity Credit Corporation.....	\$35, 410, 222	\$30, 143, 881	\$43, 450, 000	\$109, 004, 103
Interest.....	60, 747	13, 079		73, 826
Total.....	35, 470, 969	30, 156, 960	43, 450, 000	109, 077, 929
Repaid or to be repaid from appropriation for fiscal years—				
1951.....	1, 910, 747			1, 910, 747
1952.....	19, 150, 000	400, 221		19, 550, 221
1953.....		3, 612, 858	1, 600, 000	5, 212, 858
1954.....	14, 410, 222		32, 400, 000	46, 810, 222
1955.....		26, 143, 881		26, 143, 881
1956.....			9, 450, 000	9, 450, 000
Total.....	35, 470, 969	30, 156, 960	43, 450, 000	109, 077, 929

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>AGRICULTURAL CONSERVATION PROGRAM SERVICE</i>			
Total number of permanent positions.....	65	64	61
Average number of all employees.....	50	54	55
Number of employees at end of year.....	55	58	58
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5, 485	\$5, 554	\$5, 712
Average grade.....	GS-7.7	GS-7.7	GS-8.4
<i>Direct Obligations</i>			
01 Personal services:			
Permanent positions.....	\$300, 909	\$319, 342	\$331, 115
Regular pay in excess of 52-week base.....	1, 204	1, 208	1, 285
Total personal services.....	302, 113	320, 550	332, 400
02 Travel.....	20, 789	25, 900	31, 700
03 Transportation of things.....	395	400	500
04 Communication services.....	4, 587	6, 500	6, 500
06 Printing and reproduction.....	4, 974	6, 036	7, 000
07 Other contractual services.....	6, 453	4, 400	5, 100
Advanced to "Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture," pursuant to 7 U. S. C. 1388.			
19, 263, 622	18, 378, 200	18, 378, 200	
08 Supplies and materials.....	2, 733	2, 700	2, 700
09 Equipment.....	160	1, 240	2, 600
11 Grants, subsidies, and contributions.....	186, 118, 036	185, 802, 119	226, 296, 000
15 Taxes and assessments.....	229	750	800
Not distributed by objects: Repayment of loan from Commodity Credit Corporation.....	46, 810, 222	26, 143, 881	9, 450, 000
Total direct obligations.....	252, 534, 313	230, 692, 676	254, 513, 500
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
11 Grants, subsidies, and contributions.....	120, 063	144, 000	144, 000
Obligations incurred.....	252, 654, 376	230, 836, 676	254, 657, 500
<i>ALLOTMENT TO COMMODITY STABILIZATION SERVICE</i>			
Total number of permanent positions.....	924	900	994
Full-time equivalent of all other positions.....	25	21	19
Average number of all employees.....	761	770	855
Number of employees at end of year.....	872	851	923
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4, 076	\$4, 069	\$4, 065
Average grade.....	GS-5.7	GS-5.8	GS-5.8
01 Personal services:			
Permanent positions.....	\$3, 222, 200	\$3, 245, 549	\$3, 628, 105
Positions other than permanent.....	154, 283	130, 202	125, 685
Regular pay in excess of 52-week base.....	11, 497	11, 060	12, 283
Payment above basic rates.....	23, 039	20, 516	28, 216
Total personal services.....	3, 411, 019	3, 416, 327	3, 794, 289
02 Travel.....	455, 478	523, 048	593, 156
03 Transportation of things.....	42, 074	40, 130	42, 850
04 Communication services.....	116, 667	109, 102	122, 890
05 Rents and utility services.....	110, 241	109, 819	109, 820
06 Printing and reproduction.....	8, 974	43, 605	43, 600
07 Other contractual services.....	156, 532	24, 545	27, 954
Services performed by other agencies.....	131, 473	800	800
08 Supplies and materials.....	322, 130	330, 255	337, 101
09 Equipment.....	42, 592	28, 035	31, 370
13 Refunds, awards, and indemnities:			
Awards for employee suggestions.....	4, 431	3, 050	3, 000
15 Taxes and assessments.....	9, 177	12, 608	13, 670
Obligations incurred.....	4, 810, 788	4, 641, 324	5, 120, 500

AGRICULTURAL CONSERVATION PROGRAM SERVICE—Continued

Agricultural Conservation Program, Agriculture—Continued

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
ALLOTMENT TO FOREST SERVICE			
Total number of permanent positions.....	19	20	20
Full-time equivalent of all other positions.....	1	1	1
Average number of all employees.....	19	21	21
Number of employees at end of year.....	16	16	16
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,676	\$4,524	\$4,524
Average grade.....	GS-6.7	GS-6.5	GS-6.5
01 Personal services:			
Permanent positions.....	\$86,913	\$93,362	\$93,362
Positions other than permanent.....	1,454	1,454	1,454
Regular pay in excess of 52-week base.....	330	339	339
Total personal services.....	87,243	95,155	95,155
02 Travel.....	4,381	4,250	4,250
03 Transportation of things.....	47	210	210
04 Communication services.....	827	825	825
05 Rents and utility services.....	3,634	3,600	3,600
07 Other contractual services.....	872	510	510
08 Supplies and materials.....	10,990	10,950	10,950
09 Equipment.....	810	500	500
15 Taxes and assessments.....	59		
Obligations incurred.....	108,863	116,000	116,000
ALLOTMENT TO SOIL CONSERVATION SERVICE			
Total number of permanent positions.....	7		
Full-time equivalent of all other positions.....	9	1	
Average number of all employees.....	22	1	
Number of employees at end of year.....	1		
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,810		
Average grade.....	GS-7.6		
01 Personal services:			
Permanent positions.....	\$99,674	\$5,973	
Positions other than permanent.....	25,620	1,776	
Regular pay in excess of 52-week base.....	17		
Payment above basic rates.....	3,771		
Total personal services.....	129,082	7,749	
02 Travel.....	2,728	1,150	
04 Communication services.....	741	100	
05 Rents and utility services.....	652	125	
06 Printing and reproduction.....	19		
07 Other contractual services.....	4,724	2,033	
08 Supplies and materials.....	9,941	800	
15 Taxes and assessments.....	555	43	
Obligations incurred.....	148,442	12,000	
SUMMARY			
Total number of permanent positions.....	1,015	984	1,075
Full-time equivalent of all other positions.....	34	23	20
Average number of all employees.....	852	846	931
Number of employees at end of year.....	943	925	997
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,403	\$4,241	\$4,294
Average grade.....	GS-5.9	GS-5.4	GS-5.4
Direct Obligations			
01 Personal services:			
Permanent positions.....	\$3,709,696	\$3,664,226	\$4,052,582
Positions other than permanent.....	179,903	133,432	127,139
Regular pay in excess of 52-week base.....	13,048	12,607	13,907
Payment above basic rates.....	26,810	29,516	28,216
Total personal services.....	3,929,457	3,839,781	4,221,844
02 Travel.....	483,376	554,348	629,106
03 Transportation of things.....	42,516	40,740	43,560
04 Communication services.....	122,822	116,527	130,215
05 Rents and utility services.....	114,527	113,544	113,420
06 Printing and reproduction.....	13,967	49,641	50,600
07 Other contractual services.....	168,551	31,485	33,564
Advanced to "Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture," pursuant to 7 U. S. C. 1388.....	19,263,622	18,378,200	18,378,200
Services performed by other agencies.....	131,473	800	800
08 Supplies and materials.....	345,794	344,705	350,751
09 Equipment.....	43,562	29,775	34,470
11 Grants, subsidies, and contributions.....	186,118,036	185,802,119	226,296,000
13 Refunds, awards, and indemnities:			
Awards for employee suggestions.....	4,431	3,050	3,000

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
SUMMARY—continued			
Direct Obligations—Continued			
15 Taxes and assessments.....	\$10,020	\$13,401	\$14,470
Not distributed by objects: Repayment of loan from Commodity Credit Corporation.....	46,810,222	26,143,881	9,450,000
Total direct obligations.....	257,602,406	235,462,000	259,750,000
Obligations Payable Out of Reimbursements From Other Accounts			
11 Grants, subsidies, and contributions.....	120,063	144,000	144,000
Obligations incurred.....	257,722,469	235,606,000	259,894,000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$49,649,326	\$102,964,138	\$104,448,470
Obligations incurred during the year.....	257,722,469	235,606,000	259,894,000
Adjustment in obligations of prior years..	307,371,795	338,570,138	364,342,470
Reimbursements:	-1,972,653	-227,668	
Net loan from Commodity Credit Corporation.....	-30,143,881	-43,450,000	-43,450,000
Other.....	-448,146	-444,000	-444,000
Obligated balance carried to certified claims account.....	-507,726		
Obligated balance carried forward.....	-102,964,138	-104,448,470	-108,448,470
Total expenditures.....	171,335,251	190,000,000	212,000,000
Expenditures are distributed as follows:			
Out of current authorizations.....	171,335,251	100,000,000	122,000,000
Out of prior authorizations.....		90,000,000	90,000,000

AGRICULTURAL MARKETING SERVICE

MARKETING RESEARCH AND SERVICE

Marketing Research and Service, Agricultural Marketing Service

For expenses necessary to carry on research and service to improve and develop marketing and distribution relating to agriculture as authorized by the Agricultural Marketing Act of 1946 (7 U. S. C. 1621-1627) and other laws, including the administration of marketing regulatory acts connected therewith: *Provided, That appropriations hereunder shall be available for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of erecting any one building shall not exceed \$7,500 and the cost of altering any one building during the fiscal year shall not exceed \$3,750 or 2 per centum of the cost of the building, whichever is greater:*

Marketing research and agricultural estimates: For research and development relating to agricultural marketing and distribution, for analyses relating to farm prices, income and population, and demand for farm products, and for crop and livestock estimates; [\$10,-215,000] \$10,981,000: *Provided, That no part of the funds herein appropriated shall be available for any expense incident to ascertaining, collating, or publishing a report stating the intention of farmers as to the acreage to be planted in cotton, or for estimates of apple production for other than the commercial crop.*

Marketing services: For services relating to agricultural marketing and distribution, for carrying out regulatory acts connected therewith, and for administration and coordination of payments to States; [\$11,575,500] \$11,415,000, including not to exceed \$25,000 for employment at rates not to exceed \$100 per diem, pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), in carrying out section 201 (a) to 201 (d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U. S. C. 1291) and section 203 (j) of the Agricultural Marketing Act of 1946 (5 U. S. C. 511-512, 541a, 556b, 563-564, 575; 7 U. S. C. 51-65, 71-87, 91-99, 181-229, 241-273, 411, 411a, 411b, 414a, 415b-415e, 423, 440, 471-476, 501-508, 511-511q, 516, 581-589, 951-957, 1551-1610; 15 U. S. C. 251-257i, as amended by the Act of June 28, 1954, Public Law 434; 21 U. S. C. 94a; 26 U. S. C. 1920-1935; 31 U. S. C. 725d; Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

Appropriated 1955, \$21,790,500

Estimate 1956, \$22,396,000

* Includes \$12,000 for activities previously carried under "Research and development, Army," and excludes \$4,000 for activities transferred in the estimates to "Salaries and expenses, Office of Information, Agriculture." The amounts obligated in 1954 and 1955 are shown in the schedule as comparative transfers.

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate		\$21,790,500	\$22,396,000
Reimbursements from non-Federal sources		336,400	348,900
Reimbursements from other accounts:			
Commodity Credit Corporation		1,581,000	1,645,000
Other		198,100	221,600
Obligations incurred		23,906,000	24,611,500
Comparative transfer from—			
“Research and development, Army”:			
Direct appropriation	\$11,863	12,000	
“Agricultural Marketing Act, Agriculture”:			
Direct appropriation	3,385,015		
Reimbursements from non-Federal sources	452		
Reimbursements from other accounts	62,379		
“Salaries and expenses, Bureau of Agricultural Economics”:			
Direct appropriation	4,333,524		
Reimbursements from non-Federal sources	5,110		
Reimbursements from other accounts	14,805		
“Salaries and expenses, Bureau of Entomology and Plant Quarantine, Agricultural Research Administration”:			
Direct appropriation	158,066		
“Salaries and expenses, Bureau of Plant Industry, Soils, and Agricultural Engineering, Agricultural Research Administration”:			
Direct appropriation	454,829		
Reimbursements from non-Federal sources	15		
Reimbursements from other accounts	2,000		
“Salaries and expenses, Marketing services, Production and Marketing Administration”:			
Direct appropriation	11,452,521		
Reimbursements from non-Federal sources	234,597		
Reimbursements from other accounts:			
Commodity Credit Corporation	1,267,032		
Other	197,744		
Comparative transfer to “Salaries and expenses, Office of Information, Agriculture”	-4,160	-4,000	
Total obligations	21,575,792	23,914,000	24,611,500

NOTE.—Reimbursements from non-Federal sources above are from cooperating States, county, local and private agricultural marketing agencies (5 U. S. C. 563, 564); from States, municipalities, persons or licensed tobacco inspectors for services rendered (7 U. S. C. 511e); from proceeds of sale of personal property (40 U. S. C. 481 (c)); and from sale of charts (7 U. S. C. 1387).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Marketing research and agricultural estimates:			
(a) Marketing research	\$3,884,253	\$5,111,200	\$5,460,200
(b) Economic and statistical analysis	862,850	1,024,200	1,300,200
(c) Crop and livestock estimates	3,677,596	4,087,600	4,202,600
Subtotal	8,424,699	10,223,000	10,963,000
2. Marketing services:			
(a) Market news service	3,399,294	3,528,000	3,653,000
(b) Inspection, grading and classing, and standardization	6,223,386	6,322,000	6,002,000
(c) Freight rate services	155,074	161,000	161,000
(d) Regulatory activities	1,560,676	1,514,500	1,549,000
(e) Administration and coordination of State payments	28,529	50,000	50,000
Subtotal	11,366,959	11,575,500	11,415,000
3. Obligations under reimbursement from non-Federal sources	240,174	336,400	348,900
Total direct obligations	20,031,832	22,134,900	22,726,900
<i>Obligations Payable Out of Reimbursements From Commodity Credit Corporation</i>			
2. Marketing services:			
(b) Inspection, grading and classing, and standardization	1,267,032	1,581,000	1,645,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. Marketing research and agricultural estimates:			
(a) Marketing research	64,389	10,000	10,000
(b) Economic and statistical analysis	381	2,900	2,900
(c) Crop and livestock estimates	14,414	16,000	16,000
Subtotal	79,184	28,900	28,900

OBLIGATIONS BY ACTIVITIES—continued

Description	1954 actual	1955 estimate	1956 estimate
<i>Obligations Payable Out of Reimbursements From Other Accounts—Continued</i>			
2. Marketing services:			
(a) Market news service	\$48,421	\$700	\$700
(b) Inspection, grading and classing, and standardization	149,323	168,500	192,000
Subtotal	197,744	169,200	192,700
Total obligations payable out of reimbursements from other accounts	276,928	198,100	221,600
Total obligations	21,575,792	23,914,000	24,611,500

PROGRAM AND PERFORMANCE

The Agricultural Marketing Service, through this appropriation, engages in research and service to improve and develop the marketing and distribution of agricultural commodities.

A net increase of \$597,500 is proposed for 1956, composed of (a) an increase of \$758,000 for expanding marketing research and for improving farmers' expenditure estimates and the accuracy of crop and livestock estimating methods, and (b) a net decrease of \$160,500 in the work under marketing services, including increases for strengthening market news service and administration of the U. S. Warehouse Act, and decreases in permissive inspection and grading of fresh fruits and vegetables and poultry and egg products, to be offset by increasing fees to place this work on a self-supporting basis.

1. *Marketing research and agricultural estimates*—(a) *Marketing research*.—This is aimed at maintaining and improving quality, reducing costs, and expanding outlets in the marketing of agricultural products. The research, involving cooperation with other public and private agencies, includes studies of (1) the uses and market acceptance of new and established agricultural products, techniques for analyzing consumer market behavior, market potentials, and methods of merchandising; (2) trade in specific agricultural commodities including measurements of costs and margins, market organization and practices, and improvement in market information; (3) the biological, physical, and economic aspects of measuring, maintaining, and improving product quality; and (4) transportation and marketing facilities, equipment, and handling methods.

(b) *Economic and statistical analysis*.—This covers analysis of the agricultural economic situation and outlook including factors affecting price, supply, and consumption of farm products; farm income including the establishment of the relationship between farm prices or income and parity standards; and farm population and work force trends including changes in numbers and composition, and comparisons of rural and urban living standards.

(c) *Crop and livestock estimates*.—Basic current data on approximately 150 crop and livestock products, prices received and paid by farmers, and farm wage and employment data are gathered and issued in more than 500 reports annually. These are the official estimates for use by farmers, processors, and handlers of agricultural commodities and other Government agencies in connection with adjustment and marketing activities, allocations and price supports and for use in determining parity prices. The activity is conducted through 41 State offices, most of which are operated as joint Federal-State crop reporting services. During fiscal year 1954, 38 States reported

AGRICULTURAL MARKETING SERVICE—Continued

MARKETING RESEARCH AND SERVICE—continued

Marketing Research and Service, Agricultural Marketing Service—Continued

expenditures of about \$866,000 on State programs associated with this Federal work. These cooperative arrangements permitted the States to obtain a great deal of data, much of it at the county level, which could not have been collected or made available from Federal funds.

2. *Marketing services*—(a) *Market news service*.—This service assists farmers in obtaining equitable returns for their products and aids in orderly marketing and prevention of waste resulting from local surpluses by providing timely and reliable market news on all major agricultural commodities. This is accomplished through the collection of market information at year-round and seasonal offices maintained in more than 100 cities and towns and the dissemination of this information by mail, press, radio, television, telephone, telegraph, bulletin board, and trade and farm publications. More than 1,200 daily newspapers having an average circulation of 37 million—approximately 70 percent of the 53 million circulation of all daily newspapers—carry news based on Federal market reports. A total of 1,500 radio stations broadcast news regularly, and approximately 100 television stations carry market news reports.

(b) *Inspection, grading and classing, and standardization*.—Farmers are assisted in obtaining returns for their products commensurate with quality by providing United States quality standards; applying these standards through an impartial inspection, classing, and grading service; and by broadening the general knowledge, acceptance and use of standards through demonstrations, training courses, and other means. Approximately 79 percent of the total cost of this work was covered by fees or other revenue in 1954.

(c) *Freight rate services*.—Producers are assisted in obtaining equitable transportation rates and services through participation by the Department in their behalf in formal cases before the Interstate Commerce Commission and other regulatory bodies, and through informal negotiations with carriers. The Department participated in 72 formal litigation actions before the Interstate Commerce Commission and other regulatory bodies in 1954 and carried on 37 informal negotiations with carriers. Of these actions 36 were concluded favorably to Agriculture, 11 unfavorably, and 62 were still pending at the close of the year.

(d) *Regulatory activities*.—These include the administration of laws designed to protect farmers and others from financial loss resulting from deceptive, careless, and fraudulent marketing practices. The laws are administered mainly by licensing or registration, supervision of operations, collection and testing of samples, and handling of violations.

(e) *Administration and coordination of State payments*.—Provision is made for administration, planning and coordination of matched fund projects with State departments of agriculture and bureaus of markets. In 1954, agreements were in effect with 31 States and 3 Territories.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
AGRICULTURAL MARKETING SERVICE			
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	3,811	4,066	4,126
Full-time equivalent of all other positions.....	188	202	243
Average number of all employees.....	3,298	3,572	3,684

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
AGRICULTURAL MARKETING SERVICE—CON.			
<i>Summary of Personal Services—Con.</i>			
Number of employees at end of year.....	3,240	3,396	3,447
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,921	\$4,951	\$4,949
Average grade.....	GS-7.1	GS-7.1	GS-7.1
Personal service obligations:			
Permanent positions.....	\$15,540,513	\$16,945,686	\$17,159,788
Positions other than permanent.....	524,226	560,198	682,058
Regular pay in excess of 52-week base.....	53,678	57,449	59,387
Payment above basic rates.....	38,524	32,257	32,457
Total personal service obligations.....	16,156,941	17,595,590	17,933,690
<i>Direct Obligations</i>			
01 Personal services.....	15,002,633	16,238,290	16,512,790
02 Travel.....	879,363	1,083,900	1,182,700
03 Transportation of things.....	229,988	248,400	253,900
04 Communication services.....	1,473,451	1,653,400	1,673,500
05 Rents and utility services.....	194,582	237,900	237,700
06 Printing and reproduction.....	380,595	454,100	462,800
07 Other contractual services.....	745,296	916,100	990,100
Services performed by other agencies.....	145,000	149,500	230,000
08 Supplies and materials.....	427,078	437,000	450,400
09 Equipment.....	231,493	264,300	279,600
13 Refunds, awards, and indemnities.....	572	1,800	1,800
15 Taxes and assessments.....	34,660	48,900	54,300
Subtotal.....	19,744,711	21,733,590	22,329,590
Deduct charges for quarters and subsistence.....	270	270	270
Total direct obligations.....	19,744,441	21,733,320	22,329,320
<i>Obligations Payable Out of Reimbursements From Commodity Credit Corporation</i>			
01 Personal services.....	962,102	1,197,700	1,244,900
02 Travel.....	77,010	126,100	140,200
03 Transportation of things.....	68,735	64,500	64,500
04 Communication services.....	34,465	78,800	79,700
05 Rents and utility services.....	29,610	32,900	33,800
06 Printing and reproduction.....	17,910	18,100	18,100
07 Other contractual services.....	12,720	13,500	14,500
08 Supplies and materials.....	41,710	35,800	35,700
09 Equipment.....	17,415	6,500	6,500
15 Taxes and assessments.....	5,355	7,100	7,100
Total obligations payable out of reimbursements from Commodity Credit Corporation.....	1,267,032	1,581,000	1,645,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	192,206	159,600	176,000
02 Travel.....	15,146	8,900	10,100
03 Transportation of things.....	8,352	7,400	9,000
04 Communication services.....	30,390	9,100	11,000
05 Rents and utility services.....	8,940	3,500	4,200
06 Printing and reproduction.....	3,320	2,400	2,800
07 Other contractual services.....	1,460	1,300	1,500
Services performed by other agencies.....	5,458		
08 Supplies and materials.....	8,850	4,100	4,800
09 Equipment.....	2,102	900	1,100
15 Taxes and assessments.....	674	900	1,100
Total obligations payable out of reimbursements from other accounts.....	276,928	198,100	221,600
Total obligations.....	21,288,401	23,512,420	24,195,920
ALLOCATION TO AGRICULTURAL RESEARCH SERVICE			
Total number of permanent positions.....	10	12	12
Full-time equivalent of all other positions.....		3	3
Average number of all employees.....	7	14	14
Number of employees at end of year.....	10	12	12
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,523	\$4,621	\$4,621
Average grade.....	GS-6.5	GS-7.2	GS-7.2
01 Personal services:			
Permanent positions.....	\$33,422	\$53,169	\$53,169
Positions other than permanent.....	603	8,600	8,600
Regular pay in excess of 52-week base.....	149	191	191
Payment above basic rates.....	163	120	120
Total personal services.....	34,337	62,080	62,080
02 Travel.....	1,255	1,600	1,600
04 Communication services.....		100	100
06 Printing and reproduction.....	118	200	200
07 Other contractual services.....	371	1,000	1,000
Services performed by other agencies.....	1,962	5,100	5,100
08 Supplies and materials.....	12,986	17,300	20,300
09 Equipment.....	2,224	4,600	1,600
10 Lands and structures.....	471		
15 Taxes and assessments.....	164	600	600
Total obligations.....	53,888	92,580	92,580

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
ALLOCATION TO FARMER COOPERATIVE SERVICE			
Total number of positions.....	38	46	46
Average number of all employees.....	26	42	43
Number of employees at end of year.....	28	42	42
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,706	\$5,461	\$5,528
Average grade.....	GS-8.4	GS-8.2	GS-8.2
01 Personal services:			
Permanent positions.....	\$154,555	\$232,000	\$245,000
Regular pay in excess of 52-week base.....	594	900	900
Total personal services.....	155,149	232,900	245,900
02 Travel.....	13,313	24,000	23,900
03 Transportation of things.....	49	600	600
04 Communication services.....	35	6,800	6,800
05 Rents and utility services.....	9		
06 Printing and reproduction.....	7,231	16,200	16,200
07 Other contractual services.....	57,717	25,700	26,800
08 Supplies and materials.....		1,800	1,800
09 Equipment.....		700	700
15 Taxes and assessments.....		300	300
Total obligations.....	233,503	309,000	323,000

SUMMARY

Summary of Personal Services

Total number of permanent positions.....	3,859	4,124	4,184
Full-time equivalent of all other positions.....	188	205	246
Average number of all employees.....	3,331	3,628	3,741
Number of employees at end of year.....	3,278	3,450	3,501

Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,928	\$4,956	\$4,955
Average grade.....	GS-7.2	GS-7.1	GS-7.1

Personal service obligations:			
Permanent positions.....	\$15,728,490	\$17,230,855	\$17,457,957
Positions other than permanent.....	524,829	568,798	690,658
Regular pay in excess of 52-week base.....	54,421	58,540	60,478
Payment above basic rates.....	38,687	32,377	32,577

Total personal service obligations.....	16,346,427	17,890,570	18,241,670
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Direct Obligations

01 Personal services.....	15,192,119	16,533,270	16,820,770
02 Travel.....	893,931	1,109,500	1,208,200
03 Transportation of things.....	230,037	249,000	254,500
04 Communication services.....	1,473,486	1,660,300	1,680,400
05 Rents and utility services.....	194,591	237,900	237,700
06 Printing and reproduction.....	387,944	470,500	479,200
07 Other contractual services.....	803,384	942,800	1,017,900
Services performed by other agencies.....	146,962	154,600	235,100
08 Supplies and materials.....	440,064	456,100	472,500
09 Equipment.....	233,717	269,600	281,900
10 Lands and structures.....	471		
13 Refunds, awards, and indemnities.....	572	1,800	1,800
15 Taxes and assessments.....	34,824	49,800	55,200

Subtotal.....	20,032,102	22,135,170	22,745,170
Deduct charges for quarters and subsistence.....	270	270	270

Total direct obligations.....	20,031,832	22,134,900	22,744,900
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Obligations Payable Out of Reimbursements From Commodity Credit Corporation

01 Personal services.....	962,102	1,197,700	1,244,900
02 Travel.....	77,010	126,100	140,200
03 Transportation of things.....	68,735	64,500	64,500
04 Communication services.....	34,465	78,800	79,700
05 Rents and utility services.....	29,610	32,900	33,800
06 Printing and reproduction.....	17,910	18,100	18,100
07 Other contractual services.....	12,720	13,500	14,500
08 Supplies and materials.....	41,710	35,800	35,700
09 Equipment.....	17,415	6,500	6,500
15 Taxes and assessments.....	5,355	7,100	7,100

Total obligations payable out of reimbursements from Commodity Credit Corporation.....	1,267,032	1,581,000	1,645,000
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Obligations Payable Out of Reimbursements From Other Accounts

01 Personal services.....	192,206	159,600	176,000
02 Travel.....	15,146	8,900	10,100
03 Transportation of things.....	8,382	7,400	9,000
04 Communication services.....	30,390	9,100	11,000
05 Rents and utility services.....	8,940	3,500	4,200
06 Printing and reproduction.....	3,320	2,400	2,800
07 Other contractual services.....	1,460	1,300	1,500
Services performed by other agencies.....	5,458		
08 Supplies and materials.....	8,850	4,100	4,800
09 Equipment.....	2,102	900	1,100

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
SUMMARY—continued			
<i>Obligations Payable Out of Reimbursements From Other Accounts—Continued</i>			
15 Taxes and assessments.....	\$674	\$900	\$1,100
Total obligations payable out of reimbursements from other accounts.....	276,928	198,100	221,600
Total obligations.....	21,575,792	23,914,000	24,611,500

ANALYSIS OF EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....			\$2,790,500
Obligations incurred during the year.....		\$23,906,000	24,611,500
Reimbursements.....		23,906,000	27,402,000
Obligated balance carried forward.....		-2,115,500	-2,215,500
Total expenditures.....		-2,790,500	-3,286,500
Expenditures are distributed as follows:			
Out of current authorizations.....		19,000,000	19,500,000
Out of prior authorizations.....			2,400,000

PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

Payments to States, Territories, and Possessions, Agricultural Marketing Service

For payments to departments of agriculture, bureaus and departments of markets and similar agencies for marketing activities under section 204 (b) of the Agricultural Marketing Act of 1946 (7 U. S. C. 1623 (b)), **[\$900,000]** \$1,000,000. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.*)

Appropriated 1955, **\$900,000**Estimate 1956, **\$1,000,000**

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate (obligations incurred).....		\$900,000	\$1,000,000
Comparative transfer from "Agricultural Marketing Act, Agriculture".....	\$578,999		
Total obligations.....	578,999	900,000	1,000,000

OBLIGATIONS BY ACTIVITIES

Payments for marketing service work (sec. 204 (b) of the Agricultural Marketing Act of 1946)—1954, \$578,999; 1955, \$900,000; 1956, \$1,000,000.

PROGRAM AND PERFORMANCE

Payments are made to States and Territories on a matched fund basis to conduct projects designed to maintain or improve the quality of agricultural products and increase sales; to assist marketing agencies in reducing operating costs; for the collection and dissemination of special, local market information; and for conducting experimental market news projects. In 1954, 34 States and Territories conducted 78 cooperative marketing service projects under this program.

OBLIGATIONS BY OBJECTS

11 Grants, subsidies, and contributions—1954, \$578,999; 1955, \$900,000; 1956, \$1,000,000.

ANALYSIS OF EXPENDITURES

Obligations incurred during the year (total expenditures out of current authorizations)—1955, \$900,000; 1956, \$1,000,000.

SCHOOL LUNCH PROGRAM

School Lunch Program, Agricultural Marketing Service

For necessary expenses to carry out the provisions of the National School Lunch Act (42 U. S. C. 1751-1760), **[\$83,236,197]** \$68,000,000: *Provided, That no part of this appropriation shall be used for non-*

AGRICULTURAL MARKETING SERVICE—Continued**SCHOOL LUNCH PROGRAM—continued**

School Lunch Program, Agricultural Marketing Service—Continued
food assistance under section 5 of said Act. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.*)

Appropriated 1955, \$83,236,197 Estimate 1956, \$68,000,000

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$83,365,000	\$83,236,197	\$68,000,000
Transferred to "Agricultural adjustment programs, Commodity Stabilization Service," pursuant to Public Law 286.....	-128,803	-----	-----
Adjusted appropriation or estimate.....	83,236,197	83,236,197	68,000,000
Reimbursements from non-Federal sources.....	1,151	-----	-----
Reimbursements from other accounts.....	10,000	-----	-----
Total available for obligation.....	83,247,348	83,236,197	68,000,000
Unobligated balance, estimated savings.....	-58,762	-----	-----
Obligations incurred.....	83,188,586	83,236,197	68,000,000

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of personal property (40 U. S. C. 481 (c)).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
1. Food assistance:			
(a) Cash payments.....	\$67,264,997	\$67,010,000	\$67,010,000
(b) Commodity procurement (sec. 6).....	14,853,066	15,000,000	-----
2. Operating expenses.....	1,069,372	1,226,197	990,000
3. Obligations under reimbursements from non-Federal sources.....	1,151	-----	-----
Obligations incurred.....	83,188,586	83,236,197	68,000,000

PROGRAM AND PERFORMANCE

Assistance, in the form of both funds and food, is provided to States and Territories for use in serving lunches to schoolchildren. Each State's portion of the total funds available is determined by means of a statutory formula which takes into account the number of school-age children in the State and the relationship between the per capita income of the State and the average United States per capita income.

The program is operated according to the terms of an agreement entered into by the State educational agency (which administers the program within the State) and the Department of Agriculture. Schools make application to the State agency and, if accepted for participation in the program, are reimbursed for a part of the food cost of each meal served.

In addition to the cash assistance, part of the school lunch appropriation has been used by the Department of Agriculture to purchase food to be distributed to the schools. This program also provides the largest single outlet for surplus commodities purchased under authority of section 32 of the Agricultural Adjustment Act, as amended. Commodities acquired under the price support programs are also available to the school lunch program under section 416 of the Agricultural Act of 1949, as amended.

During 1954 about 1.7 billion meals were served to almost 10 million children, utilizing over \$380 million worth of agricultural commodities. More than 28 percent of this amount represented stocks acquired under the surplus-removal and price-support programs of the Department. The statutory requirement that States contribute

\$1.50 for each Federal dollar contributed was more than adequately met in 1954.

The 1956 estimates propose a reduction of \$15 million in commodity procurement, and \$236,197 in operating expenses. These reductions will be offset to a great extent by the continued large amount of surplus foods donated to the school lunch program by the Federal Government under sections 32 and 416.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
AGRICULTURAL MARKETING SERVICE			
Total number of permanent positions.....	160	162	159
Average number of all employees.....	138	163	151
Number of employees at end of year.....	129	148	148
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,437	\$5,426	\$5,443
Average grade.....	GS-8.0	GS-7.7	GS-7.7
01 Personal services:			
Permanent positions.....	\$760,789	\$889,712	\$808,085
Regular pay in excess of 52-week base.....	2,880	3,305	3,115
Payment above basic rates.....	446	280	250
Total personal services.....	764,115	893,297	811,450
02 Travel.....	92,116	119,000	93,000
03 Transportation of things.....	1,421	3,700	2,000
04 Communication services.....	22,245	21,000	21,000
05 Rents and utility services.....	12,457	10,000	10,000
06 Printing and reproduction.....	5,182	8,000	5,000
07 Other contractual services.....	6,200	9,000	7,600
08 Supplies and materials.....	6,044	12,000	6,500
09 Equipment.....	2,605	2,800	2,800
11 Grants, subsidies, and contributions:			
Cash payments.....	64,336,765	67,010,000	67,010,000
13 Refunds, awards, and indemnities.....	32	600	50
15 Taxes and assessments.....	463	800	600
Obligations incurred.....	65,249,645	68,090,197	67,970,000

ALLOCATION TO COMMODITY STABILIZATION SERVICE

Total number of permanent positions.....	29	23	-----
Average number of all employees.....	25	21	-----
Number of employees at end of year.....	17	12	-----
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,053	\$4,138	-----
Average grade.....	GS-4.9	GS-5.1	-----
01 Personal services:			
Permanent positions.....	\$110,925	\$95,131	-----
Regular pay in excess of 52-week base.....	391	369	-----
Payment above basic rates.....	2,854	-----	-----
Total personal services.....	114,170	95,500	-----
02 Travel.....	2,583	4,000	-----
03 Transportation of things.....	708	300	-----
04 Communication services.....	3,357	5,000	-----
05 Rents and utility services.....	6,694	6,500	-----
06 Printing and reproduction.....	1,227	1,700	-----
07 Other contractual services.....	5,425	600	-----
08 Supplies and materials.....	1,490	900	-----
09 Equipment.....	1,690	1,000	-----
11 Grants, subsidies, and contributions:			
(a) Cash payments.....	2,928,232	-----	-----
(b) Commodity procurement (sec. 6).....	14,853,066	15,000,000	-----
13 Refunds, awards, and indemnities.....	68	100	-----
15 Taxes and assessments.....	278	400	-----
Obligations incurred.....	17,918,958	15,116,000	-----

ALLOCATION TO AGRICULTURAL RESEARCH SERVICE

Total number of permanent positions.....	5	8	8
Average number of all employees.....	4	6	6
Number of employees at end of year.....	6	5	6
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,245	\$4,304	\$4,401
Average grade.....	GS-6.0	GS-6.3	GS-6.3
01 Personal services:			
Permanent positions.....	\$19,914	\$28,059	\$28,088
Regular pay in excess of 52-week base.....	69	131	102
Total personal services.....	19,983	28,190	28,190
07 Other contractual services.....	-----	100	100
Services performed by other agencies.....	-----	1,610	1,610
15 Taxes and assessments.....	-----	100	100
Obligations incurred.....	19,983	30,000	30,000

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
SUMMARY			
Total number of permanent positions.....	194	193	167
Average number of all employees.....	167	190	157
Number of employees at end of year.....	152	165	154
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,400	\$5,379	\$5,399
Average grade.....	GS-8.0	GS-7.7	GS-7.6
01 Personal services:			
Permanent positions.....	\$891,628	\$1,012,902	\$836,173
Regular pay in excess of 52-week base.....	3,340	3,805	3,217
Payment above basic rates.....	3,300	280	250
Total personal services.....	898,268	1,016,987	\$839,640
02 Travel.....	94,699	123,000	93,000
03 Transportation of things.....	2,189	4,000	2,000
04 Communication services.....	25,602	26,000	21,000
05 Rents and utility services.....	19,151	16,500	10,000
06 Printing and reproduction.....	6,409	9,700	5,000
07 Other contractual services.....	11,625	9,700	7,700
Services performed by other agencies.....		1,610	1,610
08 Supplies and materials.....	7,444	12,900	6,500
09 Equipment.....	4,295	3,800	2,800
11 Grants, subsidies, and contributions:			
(a) Cash payments.....	67,264,997	67,010,000	67,010,000
(b) Commodity procurement (sec. 6).....	14,853,066	15,000,000	
13 Refunds, awards, and indemnities.....	100	700	50
15 Taxes and assessments.....	741	1,300	700
Obligations incurred.....	83,188,586	83,236,197	68,000,000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$1,195,775	\$672,232	\$408,429
Obligations incurred during the year.....	83,188,586	83,236,197	68,000,000
Adjustment in obligations of prior years.....	84,384,361	83,908,429	68,408,429
Reimbursements.....	-184,427		
Obligated balance carried forward.....	-11,151	-408,429	-458,429
Total expenditures.....	83,516,551	83,500,000	67,950,000
Expenditures are distributed as follows:			
Out of current authorizations.....	82,625,535	82,850,000	67,570,000
Out of prior authorizations.....	891,016	650,000	380,000

[REPAYMENT TO COMMODITY CREDIT CORPORATION]

Repayment to Commodity Credit Corporation, Agricultural Marketing Service

For reimbursement to Commodity Credit Corporation for sums transferred to the appropriation "Marketing services", fiscal year 1953 (including interest thereon through June 30, 1954), pursuant to authority contained under the head "Marketing services" in the Department of Agriculture Appropriation Act, 1952 (7 U. S. C. 414a), for grading tobacco and classing cotton without charge to producers, as authorized by law (7 U. S. C. 473a, 511d), \$441,655.] (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.*)

Appropriated 1955, \$441,655

AMOUNTS AVAILABLE FOR OBLIGATION

Appropriation or estimate (obligations incurred)—1954, \$768,505; 1955, \$441,655.

OBLIGATIONS BY ACTIVITIES

Reimbursement for costs incurred in prior fiscal years for inspecting and grading tobacco and classing cotton—1954, \$768,505; 1955, \$441,655.

PROGRAM AND PERFORMANCE

The Department of Agriculture Appropriation Act of 1952 authorized advances from the Commodity Credit Corporation to appropriations available for classing and grading of agricultural commodities without charge to producers (7 U. S. C. 414a). Such advances must be

repaid from subsequent appropriations. However, no appropriation will be required in 1956 for this purpose since the net amount advanced in 1954 was used only to inspect and grade tobacco and class cotton placed under Commodity Credit Corporation loan and the cost therefor was borne by the Commodity Credit Corporation.

OBLIGATIONS BY OBJECTS

11 Grants, subsidies, and contributions: Repayment to Commodity Credit Corporation—1954, \$768,505; 1955, \$441,655.

ANALYSIS OF EXPENDITURES

Obligations incurred during the year (total expenditure out of current authorizations)—1954, \$768,505; 1955, \$441,655.

Miscellaneous

Salaries and Expenses, Marketing Services, Production and Marketing Administration

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$11,496,000		
Transferred from "Removal of surplus agricultural commodities," pursuant to Public Law 286.....	830,000		
Adjusted appropriation or estimate.....	12,326,000		
Reimbursements from non-Federal sources.....	234,597		
Reimbursements from other accounts:			
Commodity Credit Corporation.....	1,267,032		
Other.....	201,919		
Total available for obligation.....	14,029,548		
Unobligated balance, estimated savings.....	-249,797		
Obligations incurred.....	13,779,751		
Comparative transfer to—			
"Salaries and expenses, Agricultural Research Service":			
Direct appropriation.....	-623,682		
Reimbursements from other accounts.....	-4,175		
"Marketing research and service, Agricultural Marketing Service":			
Direct appropriation.....	-11,452,521		
Reimbursements from non-Federal sources.....	-234,597		
Reimbursements from other accounts:			
Commodity Credit Corporation.....	-1,267,032		
Other.....	-197,744		
Total obligations.....			

NOTE.—Reimbursements from non-Federal sources above are from cooperating State county, local, and private agricultural marketing agencies (5 U. S. C. 563, 564); from States, municipalities, persons, or licensed tobacco inspectors for services rendered (7 U. S. C. 511e); and from proceeds of sale of personal property (40 U. S. C. 481 (c)).

ANALYSIS OF EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$623,651	\$1,326,436	
Obligations incurred during the year.....	13,779,751		
Adjustment in obligations of prior years.....	14,403,402	1,326,436	
Reimbursements.....	-33,834	-77,286	
Obligated balance carried forward.....	-1,703,548		
Total expenditures.....	-1,326,436		
Expenditures are distributed as follows:			
Out of current authorizations.....	11,339,584	1,249,150	
Out of prior authorizations.....	10,749,767		
	589,817	1,249,150	

Allotments and Allocations Received From Other Appropriation Accounts

NOTE.—Obligations incurred under allotments and allocations from other appropriations are shown in the schedules of the parent appropriations, as follows:

- "Commodity Credit Corporation, administrative expenses."
- "Commodity Credit Corporation, capital funds."
- "Agricultural adjustment programs, Commodity Stabilization Service."
- "Mutual security, funds appropriated to the President."
- "Maintenance and operations, Army."

FOREIGN AGRICULTURAL SERVICE

Salaries and Expenses, Foreign Agricultural Service

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (Public Law 690, approved August 28, 1954), and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, [\$965,000] including not to exceed \$20,000 for representation allowances, \$3,365,000.

[For an additional amount for "Foreign Agricultural Service", including not to exceed \$15,000 for representation allowances, \$1,400,000, which shall be derived from the "Salaries and expenses" appropriation available to the Department of State: *Provided*, That transfers shall be made under this authorization in lieu of any similar transfers which may be authorized under the Agricultural Act of 1954 (H. R. 9680, Eighty-third Congress): *Provided further*, That this paragraph shall be effective only upon the enactment into law of H. R. 9680, Eighty-third Congress.] (5 U. S. C. 511-512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1955; Supplemental Appropriation Act, 1955.)

Appropriated 1955, \$965,000 Estimate 1956, \$3,365,000
Appropriated (adjusted) 1955, \$2,365,000

* Includes \$2,400,000 for activities previously carried under other appropriations as follows:
"Salaries and expenses, State" \$2,310,000
"Government in occupied areas, State" 90,000
The amounts obligated in 1954 and 1955 are shown as actual and comparative transfers.

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$673,000	\$965,000	\$3,365,000
Transferred from—			
"Salaries and expenses, State," pursuant to Public Law 663.....		1,400,000	
"Salaries and expenses, Farmers' Home Administration," pursuant to Public Law 286.....	30,000		
Adjusted appropriation or estimate.....	703,000	2,365,000	3,365,000
Reimbursements from other accounts.....	107,600	87,600	87,600
Total available for obligation.....	810,600	2,452,600	3,452,600
Unobligated balance, estimated savings.....	-22,040		
Obligations incurred.....	788,560	2,452,600	3,452,600
Comparative transfer from—			
"Salaries and expenses, State".....	1,500,000	100,000	
"Government in occupied areas, State".....	50,000	50,000	
"Agricultural Marketing Act, Agriculture".....	122,264		
Total obligations.....	2,460,824	2,602,600	3,452,600

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Analysis of foreign agriculture and trade.....	\$725,448	\$885,800	\$885,800
2. Agricultural attachés.....	1,627,776	1,629,200	2,479,200
Total direct obligations.....	2,353,224	2,515,000	3,365,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
3. Other services performed.....	107,600	87,600	87,600
Total obligations.....	2,460,824	2,602,600	3,452,600

PROGRAM AND PERFORMANCE

The Foreign Agricultural Service administers programs and policies relating to foreign agriculture. It provides information and assistance to agencies of the United States Government, farm and industry groups, and the general public on agricultural conditions and trends in foreign countries and their effect on American agriculture and the economy of the United States. The Service collects, interprets, and distributes timely information on foreign production and consumption of farm products, on policy matters affecting trends in production and consumption, and on the present and potential competition of foreign products with American farm products as a guide in the

planning of production and marketing of United States agricultural commodities and to help smooth the channels through which United States exports move.

An increase is proposed to expand and strengthen the agricultural attaché program by increasing the number of foreign posts which will result in broadening the area from which information will be obtained in connection with production, consumption, and competition of foreign agricultural products. Particular emphasis will be placed on methods for disposing of surplus or potential surplus American agricultural products.

1. *Analysis of foreign agriculture and trade.*—Analyses and interpretations are made of world trends in foreign agricultural production, trade, price, finance, marketing, consumption, competition, commercial and trade policies and economic policies of foreign governments, as such trends affect United States foreign agricultural trade. Department participation in the formulation and development of trade programs and agreements designed to stabilize and expand world trade in American agricultural products, and to reduce application by foreign governments of restrictive tariff and trade policies and practices against import of American agricultural commodities is directed and coordinated. Recommendations and positions for the Department on bilateral and multilateral trade agreements and international commodity agreements are formulated. Continuous review of the trade regulations and financial conditions of signatories to the general agreement on tariffs and trade in American farm products is made. Policies, programs, positions, and standards of participation in public and private international organizations are developed.

2. *Agricultural attachés.*—The worldwide agricultural attaché program is now a part of the Department of Agriculture. Assistance is provided in development of markets abroad for United States agricultural commodities. A comprehensive schedule of foreign agricultural market and trade reporting to meet the needs of the American agricultural industry is maintained.

It is contemplated that in the fiscal year 1956 the number of posts at which attachés will be stationed will be increased from 42 to approximately 59, with accompanying staff and related supporting services. The agricultural attachés and assistant attachés would be increased from 53 to about 81.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	341	324	409
Full-time equivalent of all other positions.....	2	4	4
Average number of all employees.....	320	304	397
Number of employees at end of year.....	336	324	409
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$6,119	\$5,991	\$5,996
Average grade.....	GS-8.8	GS-8.5	GS-8.7
Ungraded positions: Average salary.....	\$1,906	\$2,333	\$2,386
Personal service obligations:			
Permanent positions.....	\$1,637,619	1,623,839	\$2,023,547
Positions other than permanent.....	10,234	13,618	13,228
Regular pay in excess of 52-week base.....	4,937	3,000	8,040
Payment above basic rates.....	211,674	195,343	334,585
Other payments for personal services.....	4,865		
Total personal service obligations.....	1,869,329	1,835,800	2,379,400
<i>Direct Obligations</i>			
01 Personal services.....	1,763,208	1,751,800	2,295,400
02 Travel.....	169,881	214,100	331,100
03 Transportation of things.....	81,897	85,000	124,500
04 Communication services.....	118,471	97,000	104,800
05 Rents and utility services.....	67,300	37,000	66,000
06 Printing and reproduction.....	46,669	69,700	71,600

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations—Continued</i>			
07 Other contractual services.....	\$29,689	\$37,600	\$52,200
Services performed by other agencies.....	11,069	181,700	231,700
08 Supplies and materials.....	36,738	21,000	23,100
09 Equipment.....	26,412	17,300	61,300
11 Grants, subsidies, and contributions.....	600		
15 Taxes and assessments.....	1,290	2,800	3,300
Total direct obligations.....	2,353,224	2,515,000	3,365,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	106,121	84,000	84,000
06 Printing and reproduction.....	1,124	1,000	1,000
07 Other contractual services.....		200	200
Services performed by other agencies.....		800	800
08 Supplies and materials.....	355	900	900
09 Equipment.....		400	400
15 Taxes and assessments.....		300	300
Total obligations payable out of reimbursements from other accounts.....	107,600	87,600	87,600
Total obligations.....	2,460,824	2,602,600	3,452,600

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$49,793	\$70,504	\$153,304
Obligations incurred during the year.....	788,560	2,452,600	3,452,600
Adjustment in obligations of prior years.....	838,353	2,523,104	3,605,904
Reimbursements.....	-4,557	-87,600	-87,600
Obligated balance carried to certified claims account.....	-2,046		
Obligated balance carried forward.....	-70,504	-153,304	-246,004
Total expenditures.....	653,646	2,282,200	3,272,300
Expenditures are distributed as follows:			
Out of current authorizations.....	611,188	2,222,100	3,141,600
Out of prior authorizations.....	42,458	60,100	130,700

Miscellaneous

Allotments and Allocations Received From Other Appropriation Accounts

NOTE.—Obligations incurred under allotments and allocations from other appropriations are shown in the schedules of the parent appropriations, as follows:

"Removal of surplus agricultural commodities."
 "Research and development, Army."
 "Mutual security, funds appropriated to the President."

COMMODITY EXCHANGE AUTHORITY

Salaries and Expenses, Commodity Exchange Authority

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U. S. C. 1-17a), **\$673,000** **\$698,000**. (Act of August 28, 1954, Public Law 690; Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

Appropriated 1955, **\$693,000**Estimate 1956, **\$698,000**

• Includes \$20,000 appropriated in Supplemental Appropriation Act, 1955.

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$700,000	\$693,000	\$698,000
Transferred to "Salaries and expenses, Extension Service," pursuant to Public Law 286.....	-7,727		
Adjusted appropriation or estimate.....	692,273	693,000	698,000
Reimbursements from other accounts.....	419		
Total available for obligation.....	692,692	693,000	698,000
Unobligated balance, estimated savings.....	-4,848		
Obligations incurred.....	687,844	693,000	698,000

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Licensing.....	\$45,834	\$46,000	\$46,000
2. Supervision of futures trading.....	363,177	377,200	380,700
3. Audits.....	159,773	150,300	151,800
4. Investigations.....	118,641	119,500	119,500
Total direct obligations.....	687,425	693,000	698,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
4. Investigations.....	419		
Obligations incurred.....	687,844	693,000	698,000

PROGRAM AND PERFORMANCE

Enforcement of the Commodity Exchange Act requires supervision over futures trading in 21 commodities on 17 exchanges to prevent price manipulation and corners and insure honesty and fair dealing.

1. *Licensing*.—Commission merchants and floor brokers are registered annually. In 1954 there were 623 commission merchants and 851 floor brokers so registered. The estimates for 1956 are 640 and 880 respectively. Exchange rules and regulations are reviewed to insure that legal requirements are met.

2. *Supervision of futures trading*.—This embraces (a) the administration of the system of required reports from brokers and large traders; (b) analysis of reports and related data for surveillance of futures trading and compilation and publication of summary information; (c) establishment, enforcement and review of speculative limits; and (d) cooperative activities with control committees of contract markets.

Reports tabulated and analyzed	1954 actual	1955 estimate	1956 estimate
Daily trading volume and open contracts.....	248,436	270,000	270,000
Daily and weekly reports on large traders.....	286,971	310,000	310,000
Delivery notices.....	29,170	36,000	36,000

3. *Audits*.—Misuse of customers' funds is prevented by (a) audit and examination of books of futures commission merchants; and (b) analysis of brokers' and traders' books and financial statements.

Audits	1954 actual	1955 estimate	1956 estimate
Segregation audits.....	726	700	750
Accounts examined.....	33,231	32,500	35,000
Financial statements examined.....	628	625	675

4. *Investigations*.—Apparent or alleged violations of the law and regulations are investigated, and trade practice surveys are made to discover violations and compile legal evidence. The Authority also prepares and presents evidence of violations in administrative hearings and judicial proceedings. In 1954 there were 46 compliance investigations completed and 3,370 transactions examined.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	129	132	132
Average number of all employees.....	119	123	124
Number of employees at end of year.....	119	122	123
<i>Average salaries and grades:</i>			
<i>General schedule grades:</i>			
Average salary.....	\$5,007	\$5,018	\$5,031
Average grade.....	GS-6.8	GS-6.9	GS-6.8
<i>Personal service obligations:</i>			
Permanent positions.....	\$611,748	\$616,775	\$622,195
Positions other than permanent.....	659	800	
Regular pay in excess of 52-week base.....	2,330	2,450	2,530
Payment above basic rates.....		300	300
Other payments for personal services.....	144		
Total personal service obligations.....	614,881	620,325	625,025

COMMODITY EXCHANGE AUTHORITY—Continued**Salaries and Expenses, Commodity Exchange Authority—Con.****OBLIGATIONS BY OBJECTS—continued**

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
01 Personal services.....	\$614,719	\$620,325	\$625,025
02 Travel.....	11,518	9,700	9,700
03 Transportation of things.....	611	1,000	1,000
04 Communication services.....	17,248	19,900	19,900
05 Rents and utility services.....	15,696	15,300	15,300
06 Printing and reproduction.....	11,747	13,000	13,000
07 Other contractual services.....	6,505	5,500	5,500
Services performed by other agencies.....	590	850	850
08 Supplies and materials.....	4,909	5,150	5,150
09 Equipment.....	2,616	650	650
15 Taxes and assessments.....	1,266	1,625	1,625
Total direct obligations.....	687,425	693,000	698,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	162		
02 Travel.....	257		
Total obligations payable out of reimbursements from other accounts.....	419		
Obligations incurred.....	687,844	693,000	698,000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$54,554	\$60,204	\$42,204
Obligations incurred during the year.....	687,844	693,000	698,000
	742,398	753,204	740,204
Adjustment in obligations of prior years.....	-955		
Reimbursements.....	-419		
Obligated balance carried forward.....	-60,204	-42,204	-45,204
Total expenditures.....	680,820	711,000	695,000
<i>Expenditures are distributed as follows:</i>			
Out of current authorizations.....	627,259	652,000	654,000
Out of prior authorizations.....	53,561	59,000	41,000

COMMODITY STABILIZATION SERVICE**AGRICULTURAL ADJUSTMENT PROGRAMS****Agricultural Adjustment Programs, Commodity Stabilization Service**

For necessary expenses to formulate and carry out acreage allotment and marketing quota programs pursuant to provisions of title III of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1301-1393), **[\$41,250,000]** **\$39,000,000**, of which not more than **[\$5,500,000]** **\$6,165,000** shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938" **[: Provided, That \$3,500,000 of this appropriation shall be placed in reserve to be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, to the extent necessary for carrying out marketing quotas for the 1955 crop of wheat].** (Act of Jan. 30, 1954, Public Law 290; Act of Aug. 28, 1954, Public Law 690; Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

Appropriated 1955, **\$41,250,000** Estimate 1956, **\$39,000,000****AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$43,500,000	\$41,250,000	\$39,000,000
Transferred from "School lunch program, Agricultural Marketing Service," pursuant to Public Law 286.....	128,803		
Adjusted appropriation or estimate.....	43,628,803	41,250,000	39,000,000
Unobligated balance, estimated savings.....	-2,221,612		
Obligations incurred.....	41,407,191	41,250,000	39,000,000

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
1. Acreage allotments and marketing quotas.....	\$41,257,449	\$41,250,000	\$39,000,000
2. Assistance to Selective Service.....	149,742		
Obligations incurred.....	41,407,191	41,250,000	39,000,000

PROGRAM AND PERFORMANCE

Agricultural adjustment programs include acreage-allotment and marketing quota programs for basic agricultural commodities. These programs are designed to assist in stabilizing fluctuations in the supply, marketing, and price of specified basic agricultural commodities. Acreage allotments, when necessary, are established at National, State, and county levels (only at State level in the case of tobacco). In general, the acreage allotted to any county is apportioned by farmer-elected county committeemen. National marketing quotas must be proclaimed for basic commodities whenever the supply situation specified in basic legislation requires them. However, quotas do not become effective unless approved by two-thirds of those voting in a referendum of farmers engaged in producing the commodity for which a quota is proclaimed.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
COMMODITY STABILIZATION SERVICE			
Total number of permanent positions.....	986	1,039	1,151
Full-time equivalent of all other positions.....	27	24	22
Average number of all employees.....	767	827	938
Number of employees at end of year.....	881	935	1,069
<i>Average salaries and grades:</i>			
General schedule grades:			
Average salary.....	\$4,075	\$4,069	\$4,065
Average grade.....	GS-5.7	GS-5.7	GS-5.8
01 Personal services:			
Permanent positions.....	\$3,498,776	\$3,826,799	\$4,302,045
Positions other than permanent.....	158,294	150,702	145,530
Regular pay in excess of 52-week base.....	12,600	12,919	14,515
Payment above basic rates.....	7,937	8,578	6,790
Total personal services.....	3,677,607	3,998,998	4,468,880
02 Travel.....	613,688	744,099	900,980
03 Transportation of things.....	34,743	37,959	37,920
04 Communication services.....	165,345	156,428	186,550
05 Rents and utility services.....	124,263	145,710	146,360
06 Printing and reproduction.....	308,288	395,309	396,980
07 Other contractual services.....	32,474	43,824	45,580
Advanced to "Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture".....	35,912,000	35,366,000	32,448,000
Services performed by other agencies.....	155,280		
08 Supplies and materials.....	72,751	89,009	95,150
09 Equipment.....	40,374	39,118	41,350
13 Refunds, awards, and indemnities:			
Awards for employee suggestions.....	504	50	
15 Taxes and assessments.....	9,237	11,496	10,250
Obligations incurred.....	41,146,554	41,028,000	38,778,000
ALLOCATION TO AGRICULTURAL MARKETING SERVICE			
Total number of permanent positions.....	60	47	47
Full-time equivalent of all other positions.....	5	5	5
Average number of all employees.....	60	49	49
Number of employees at end of year.....	22	49	49
<i>Average salaries and grades:</i>			
General schedule grades:			
Average salary.....	\$4,070	\$4,088	\$4,112
Average grade.....	GS-5.2	GS-5.0	GS-5.0
01 Personal services:			
Permanent positions.....	\$223,585	\$186,963	\$187,050
Positions other than permanent.....	13,203	12,500	12,500
Regular pay in excess of 52-week base.....	825	837	850
Payment above basic rates.....		500	400
Total personal services.....	237,613	200,800	200,800
02 Travel.....	4,443	5,000	5,000
03 Transportation of things.....	1,089	1,000	1,000
04 Communication services.....	2,745	2,000	2,000

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
ALLOCATION TO AGRICULTURAL MARKETING SERVICE—continued			
05 Rents and utility services.....		\$140	\$140
06 Printing and reproduction.....	\$400		
07 Other contractual services.....	588	1,200	1,200
Services performed by other agencies.....		40	40
08 Supplies and materials.....	5,459	5,760	5,760
09 Equipment.....	7,067	4,800	4,800
15 Taxes and assessments.....	1,233	1,260	1,260
Obligations incurred.....	260,637	222,000	222,000
SUMMARY			
Total number of permanent positions.....	1,046	1,086	1,198
Full-time equivalent of all other positions.....	32	29	27
Average number of all employees.....	827	876	987
Number of employees at end of year.....	903	984	1,118
Average salary and grades:			
General schedule grades:			
Average salary.....	\$4,076	\$4,069	\$4,065
Average grade.....	GS-5.7	GS-5.8	GS-5.8
01 Personal services:			
Permanent positions.....	\$3,722,361	\$4,013,762	\$4,489,095
Positions other than permanent.....	171,497	163,202	158,030
Regular pay in excess of 52-week base.....	13,425	13,756	15,365
Payment above basic rates.....	7,937	9,078	7,190
Total personal services.....	3,915,220	4,199,798	4,669,680
02 Travel.....	618,131	749,099	905,980
03 Transportation of things.....	35,832	38,959	38,920
04 Communication services.....	168,090	158,428	188,550
05 Rents and utility services.....	124,263	145,850	146,500
06 Printing and reproduction.....	308,688	395,309	396,980
07 Other contractual services.....	33,062	45,024	46,780
Advanced to "Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture".....	35,912,000	35,366,000	32,448,000
Services performed by other agencies.....	155,280	40	40
08 Supplies and materials.....	78,210	94,769	100,910
09 Equipment.....	47,441	43,918	46,150
13 Refunds, awards, and indemnities:			
Awards for employee suggestions.....	504	50	
15 Taxes and assessments.....	10,470	12,756	11,510
Obligations incurred.....	41,407,191	41,250,000	39,000,000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$73,354	\$27,781	\$28,781
Adjustment in obligations of prior years.....	8,861		
Obligations incurred during the year.....	41,407,191	41,250,000	39,000,000
Obligated balance carried forward.....	41,489,406	41,277,781	39,028,781
	-27,781	-28,781	-28,781
Total expenditures.....	41,461,625	41,249,000	39,000,000
Expenditures are distributed as follows:			
Out of current authorizations.....	41,381,411	41,222,000	38,972,000
Out of prior authorizations.....	80,214	27,000	28,000

SUGAR ACT PROGRAM

Sugar Act Program, Commodity Stabilization Service

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U. S. C. 1101-1160), **[\$59,600,000]** **\$61,600,000**, to remain available until June 30 of the next succeeding fiscal year: *Provided*, That expenditures (including transfers) from this appropriation for other than payments to sugar producers shall not exceed **[\$1,440,000]**, of which **\$77,000** shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use as may become necessary for applying restrictive proportionate shares on the 1955 beet crop **\$1,617,000**. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.*)

Appropriated 1955, **\$59,600,000**Estimate 1956, **\$61,600,000**

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$59,645,000	\$59,600,000	\$61,600,000
Unobligated balance brought forward.....	93,500	95,778	
Total available for obligation.....	59,738,500	59,695,778	61,600,000

AMOUNTS AVAILABLE FOR OBLIGATION—continued

	1954 actual	1955 estimate	1956 estimate
Unobligated balance carried forward.....	-\$95,778		
Obligations incurred.....	59,642,722	\$59,695,778	\$61,600,000

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
1. Payments to sugar producers:			
(a) Continental beet area.....	\$29,265,206	\$31,910,300	\$30,232,000
(b) Continental cane area.....	8,628,000	7,705,210	7,069,000
(c) Offshore cane area.....	20,412,957	18,581,203	22,682,000
2. Operating expenses.....	1,336,559	1,499,065	1,617,000
Obligations incurred.....	59,642,722	59,695,778	61,600,000

PROGRAM AND PERFORMANCE

To provide consumers with adequate supplies of sugar at reasonable prices and to maintain the welfare of the domestic sugar industry, quotas are established for five domestic sugar-producing areas, the Philippines, Cuba, and other foreign countries. In addition, farm marketing allotments for sugarcane and sugar beets are established by the Secretary when necessary to restrict marketings to conform to the quota for the area and normal carryover requirements.

1. *Payments to sugar producers.*—Payments are made (a) to domestic producers of cane and beets who meet specified conditions of employment, production, and marketing; and (b) for abandonment of planted acreage and crop deficiencies on harvested acreages due to natural calamities.

2. *Operating expenses.*—These consist mainly of the expenses of (a) the agricultural stabilization and conservation State and county offices in establishing production controls, determining compliance, and making payments to producers; and (b) of the Service's departmental work in determining sugar consumption requirements, establishing quotas and allotments, making fair wage and price determinations, establishing production and marketing controls where necessary, and formulating overall policies and procedures.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
Total number of permanent positions.....	190	204	196
Full-time equivalent of all other positions.....	4	4	4
Average number of all employees.....	161	174	171
Number of employees at end of year.....	182	193	182
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,053	\$4,138	\$4,191
Average grade.....	GS-4.9	GS-5.1	GS-5.2
01 Personal services:			
Permanent positions.....	\$791,566	\$858,232	\$845,665
Positions other than permanent.....	22,631	23,878	23,150
Regular pay in excess of 52-week base.....	2,971	3,197	3,165
Payment above basic rates.....	24,849	63,689	63,910
Total personal services.....	842,017	948,996	935,890
02 Travel.....	65,259	91,605	90,980
03 Transportation of things.....	5,309	2,156	2,050
04 Communication services.....	27,764	20,556	20,020
05 Rents and utility services.....	9,650	9,810	9,810
06 Printing and reproduction.....	4,086	5,296	5,290
07 Other contractual services.....	12,002	8,846	9,110
Advanced to "Local Administration, sec. 388, Agricultural Adjustment Act of 1938," pursuant to 7 U. S. C. 1388.....	339,100	379,200	511,730
Services performed by other agencies.....	17,000	15,000	15,000
08 Supplies and materials.....	9,166	7,146	6,920
09 Equipment.....	4,309	9,382	9,260
11 Grants, subsidies, and contributions.....	58,306,163	58,196,713	59,983,000
13 Refunds, awards, and indemnities:			
Awards for employee suggestions.....	61	100	
15 Taxes and assessments.....	836	972	940
Obligations incurred.....	59,642,722	59,695,778	61,600,000

COMMODITY STABILIZATION SERVICE—Continued**SUGAR ACT PROGRAM—continued****Sugar Act Program, Commodity Stabilization Service—Continued****ANALYSIS OF EXPENDITURES**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$26, 873, 202	\$19, 979, 539	\$18, 475, 317
Obligations incurred during the year.....	59, 642, 722	59, 695, 778	61, 600, 000
	86, 515, 924	79, 675, 317	80, 075, 317
Adjustment in obligations of prior years.....	-1, 705		
Obligated balance carried to certified claims account.....	-82, 294		
Obligated balance carried forward.....	-19, 979, 539	-18, 475, 317	-18, 875, 317
Total expenditures.....	66, 452, 386	61, 200, 000	61, 200, 000
Expenditures are distributed as follows:			
Out of current authorizations.....	66, 452, 386	43, 200, 000	43, 200, 000
Out of prior authorizations.....		18, 000, 000	18, 000, 000

INTERNATIONAL WHEAT AGREEMENT**International Wheat Agreement, Agriculture**

To discharge indebtedness of the Commodity Credit Corporation to the Secretary of the Treasury for the net costs during the fiscal year 1954 (including interest thereon through June 30, 1955) under the International Wheat Agreement Act of 1949, as amended (7 U. S. C. 1641-1642), \$57,378,551.

Estimate 1956, \$57,378,551

AMOUNTS AVAILABLE FOR OBLIGATION

Appropriation or estimate (obligations incurred)—1956, \$57,378,551.

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
Reimbursement to Commodity Credit Corporation:			
1. Program costs.....			\$56, 144, 551
2. Interest costs.....			1, 234, 000
Obligations incurred.....			57, 378, 551

PROGRAM AND PERFORMANCE

The International Wheat Agreement operates to provide an assured market for wheat to exporting countries and assured supplies of wheat to importing countries, at stable and equitable prices.

Capital funds of Commodity Credit Corporation are used to pay (a) the difference between the price specified in the agreement and the domestic market price of wheat, and (b) administrative and interest costs (7 U. S. C. 1641-1642). The 1956 estimate would provide a direct appropriation to reimburse Commodity Credit Corporation for costs incurred in the fiscal year 1954 when 119,025,100 bushels of wheat and wheat flour were exported under the agreement. The following table shows, by major cost elements, Commodity Credit Corporation costs since the beginning of International Wheat Agreement program operations.

	Fiscal year				
	1952 (1950 operations)	1953 (1951 operations)	1954 (1952 operations)	1954, supple- ment (1953 operations)	1956 (1954 operations)
Differential payments to commercial exporters.....	\$36, 762, 870	\$99, 712, 669	\$128, 327, 482	\$121, 239, 334	\$51, 640, 495
Due Commodity Credit Corporation for export of price support and supply stocks.....	38, 873, 852	78, 659, 163	38, 843, 999	4, 923, 647	4, 504, 056
Interest.....	1, 171, 278	3, 790, 418	4, 568, 914	3, 390, 814	1, 234, 000
Reimbursement by appropriation.....	76, 808, 000				57, 378, 551
Reimbursement by cancellation of notes.....		182, 162, 250	171, 740, 395	129, 553, 795	

OBLIGATIONS BY OBJECTS

11 Grants, subsidies, and contributions: Reimbursement to Commodity Credit Corporation—1956, \$57,378,551.

ANALYSIS OF EXPENDITURES

Obligations incurred during the year (total expenditures out of current authorizations)—1956, \$57,378,551.

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR EMERGENCY FAMINE RELIEF TO FRIENDLY PEOPLES**Reimbursement to Commodity Credit Corporation for Emergency Famine Relief to Friendly Peoples, Commodity Stabilization Service**

To reimburse the Commodity Credit Corporation for its investment (including costs of handling, delivery, and interest through June 30, 1955) in commodities disposed of under the Act of August 7, 1953 (67 Stat. 476), \$9,676,628.

Estimate 1956, \$9,676,628

AMOUNTS AVAILABLE FOR OBLIGATION

Appropriation or estimate (obligations incurred)—1956, \$9,676,628.

OBLIGATIONS BY ACTIVITIES

Reimbursement for commodities transferred to friendly peoples needing emergency famine relief—1956, \$9,676,628.

PROGRAM AND PERFORMANCE

The act of August 7, 1953 (Public Law 216), directed the Commodity Credit Corporation to make its stocks of agricultural commodities available to the President for furnishing emergency assistance to friendly peoples in meeting famine or other urgent relief requirements. The act also authorized an appropriation of funds to reimburse the Corporation for its investment in such commodities including handling and the cost incurred in making deliveries. This appropriation request is for making such reimbursement.

OBLIGATIONS BY OBJECTS

11 Grants, subsidies, and contributions: Reimbursement to Commodity Credit Corporation—1956, \$9,676,628.

ANALYSIS OF EXPENDITURES

Obligations incurred during the year (total expenditures out of current authorizations)—1956, \$9,676,628.

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR EMERGENCY FEED ASSISTANCE**Reimbursement to Commodity Credit Corporation for Emergency Feed Assistance, Commodity Stabilization Service**

To reimburse the Commodity Credit Corporation for losses representing the difference between the value of feed furnished farmers and stockmen in disaster areas and sales price received by the Corporation, \$42,100,000.

Estimate 1956, \$42,100,000

AMOUNTS AVAILABLE FOR OBLIGATION

Appropriation or estimate (obligations incurred)—1956, \$42,100,000.

OBLIGATIONS BY ACTIVITIES

Reimbursement for losses representing the difference between the value of feed furnished in disaster areas and the sales price received—1956, \$42,100,000.

PROGRAM AND PERFORMANCE

Facilities and stocks of the Commodity Credit Corporation are authorized to be used for emergency assistance in furnishing feed and seed to farmers, ranchers, and stockmen in connection with any major disaster determined by the President to warrant Federal assistance (Public Law 115, approved July 14, 1953). Drought conditions became so severe during the fall of 1953 that the President, under authority of Public Law 875, approved September 30, 1950, directed that the feed stocks of the Corporation be furnished without reimbursement from

presently appropriated funds. This directive also indicated that he would request the Congress to take specific action for the purpose of reimbursing the Corporation for losses representing the difference between the value of the feed furnished and the sales price therefor received by the Corporation. This appropriation request is for reimbursing the Corporation for these losses.

OBLIGATIONS BY OBJECTS

- 11 Grants, subsidies, and contributions: Reimbursement to Commodity Credit Corporation—1956, \$42,100,000.

ANALYSIS OF EXPENDITURES

Obligations incurred during the year (total expenditures out of current authorizations)—1956, \$42,100,000.

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR TRANSFER OF WHEAT TO PAKISTAN

Reimbursement to Commodity Credit Corporation for Transfer of Wheat to Pakistan, Commodity Stabilization Service

To reimburse the Commodity Credit Corporation for its investment (including costs of handling, delivery, and interest through June 30, 1955) in wheat transferred to the Government of Pakistan under the Act of June 25, 1953 (67 Stat. 80), \$69,273,881.

Estimate 1956, \$69,273,881

AMOUNTS AVAILABLE FOR OBLIGATION

Appropriation or estimate (obligations incurred)—1956, \$69,273,881.

OBLIGATIONS BY ACTIVITIES

Reimbursement for wheat transferred to Pakistan—1956, \$69,273,881.

PROGRAM AND PERFORMANCE

The act of June 25, 1953 (Public Law 77), provided for the transfer of price support wheat to Pakistan and authorized the appropriation of funds to reimburse the Commodity Credit Corporation for its investment in the wheat including handling and other costs incurred in making deliveries. This appropriation request is for making such reimbursement for the 612,312 long tons of wheat delivered to Pakistan during the fiscal year 1954.

OBLIGATIONS BY OBJECTS

- 11 Grants, subsidies, and contributions: Reimbursement to Commodity Credit Corporation—1956, \$69,273,881.

ANALYSIS OF EXPENDITURES

Obligations incurred during the year (total expenditures out of current authorizations)—1956, \$69,273,881.

Miscellaneous

Administration of Price Adjustment Act of 1938, Department of Agriculture

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Unobligated balance brought forward.....	\$23,323	\$6	
Unobligated balance transferred to "Parity payments, Department of Agriculture," pursuant to act of Feb. 12, 1940 (54 Stat. 34).....	-23,672		
Recovery of prior year obligations.....	355		
Total available for obligation.....	6	6	
Unobligated balance carried forward.....	-6		
Carried to surplus.....		-6	
Obligations incurred.....			

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

Adjustment in obligations of prior years (total expenditures out of prior authorizations)—1954, —\$355.

Advances to Agricultural Adjustment Administration, Department of Agriculture

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Unobligated balance brought forward.....	\$5,073		
Carried to surplus.....	-5,073		
Obligations incurred.....			

Emergency Supplies for Territories and Possessions, Department of Agriculture

ANALYSIS OF EXPENDITURES

Adjustment in obligations of prior years (total expenditures out of prior authorizations)—1954, \$10,947.

Parity Payments, Department of Agriculture

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Unobligated balance transferred from "Administration of price adjustment act of 1938, Department of Agriculture," pursuant to act of Feb. 12, 1940 (54 Stat. 34).....	\$23,672		
Carried to surplus.....	-23,672		
Obligations incurred.....			

Allotments and Allocations Received From Other Appropriation Accounts

NOTE.—Obligations incurred under allotments and allocations from other appropriations are shown in the schedules of the parent appropriations, as follows:

- "School lunch program, Agricultural Marketing Service."
- "Removal of surplus agricultural commodities."
- "Disaster loans, etc., revolving fund, Department of Agriculture."
- "Maintenance and operations, Air Force."
- "Disaster relief, Executive Office of the President."

FEDERAL CROP INSURANCE CORPORATION

Operating and Administrative Expenses, Federal Crop Insurance Corporation

For operating and administrative expenses, \$6,000,000. (7 U. S. C. 1501-1519; 31 U. S. C. 841, 846-852, 866-868c, 869: Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

Appropriated 1955, \$6,000,000

Estimate 1956, \$6,000,000

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$7,350,000	\$6,000,000	\$6,000,000
Transferred from "Salaries and expenses, Rural Electrification Administration," pursuant to Public Law 286.....	100,000		
Adjusted appropriation or estimate.....	7,450,000	6,000,000	6,000,000
Reimbursements from non-Federal sources.....	805	2,000	
Reimbursements from other accounts.....	1,114	500	
Total available for obligation.....	7,451,919	6,002,500	6,000,000
Unobligated balance, estimated savings.....	-800,562		
Obligations incurred.....	6,651,357	6,002,500	6,000,000

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of personal property (40 U. S. C. 481 (c)).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Underwriting and actuarial analysis.....	\$470,827	\$471,000	\$471,000
2. Contract sales and servicing.....	4,574,502	4,735,000	4,735,000
3. Crop inspections and loss adjustments.....	1,604,109	794,000	794,000
4. Obligations under reimbursements from non-Federal sources.....	805	2,000	
Total direct obligations.....	6,650,243	6,002,000	6,000,000

FEDERAL CROP INSURANCE CORPORATION—Con.**Operating and Administrative Expenses, Federal Crop Insurance Corporation—Continued****OBLIGATIONS BY ACTIVITIES—continued**

Description	1954 actual	1955 estimate	1956 estimate
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. Underwriting and actuarial analysis.....	\$89	\$34	
2. Contract sales and servicing.....	762	336	
3. Crop inspections and loss adjustments.....	263	130	
Total obligations payable out of reimbursements from other accounts.....	1,114	500	
Obligations incurred.....	6,651,357	6,002,500	\$6,000,000

PROGRAM AND PERFORMANCE

This appropriation relates to a portion of the administrative and operating expenses of the Corporation. The presentation of the budget for insurance operations and other costs which are financed from capital funds is in the section on revolving and management funds at the end of the Agriculture chapter.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	615	520	515
Full-time equivalent of all other positions.....	231	46	17
Average number of all employees.....	721	534	520
Number of employees at end of year.....	1,061	586	589
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,349	\$4,367	\$4,445
Average grade.....	GS-5.8	GS-5.7	GS-5.7
Personal service obligations:			
Permanent positions.....	\$2,181,729	\$2,163,791	\$2,262,180
Positions other than permanent.....	775,157	150,289	51,500
Regular pay in excess of 52-week base.....	6,839	8,400	8,800
Payment above basic rates.....	2,734		
Total personal service obligations.....	2,966,459	2,322,480	2,322,480
<i>Direct Obligations</i>			
01 Personal services.....	2,966,445	2,322,480	2,322,480
02 Travel.....	774,151	435,320	437,100
03 Transportation of things.....	29,879	21,800	21,800
04 Communication services.....	136,714	160,400	160,400
05 Rents and utility services.....	115,864	124,600	124,600
06 Printing and reproduction.....	86,542	117,700	117,700
07 Other contractual services.....	21,620	33,900	33,900
Advanced to "Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture"			
Agent commissions.....	132,213		
Services performed by other agencies.....	2,237,493	2,681,910	2,681,910
08 Supplies and materials.....	72,501	12,000	12,000
09 Equipment.....	46,054	53,800	53,800
10 Equipment.....	10,426	27,000	25,000
13 Refunds, awards, and indemnities.....	45		
15 Taxes and assessments.....	20,296	11,090	9,310
Total direct obligations.....	6,650,243	6,002,000	6,000,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	14		
06 Printing and reproduction.....	1,100	500	
Total obligations payable out of reimbursements from other accounts.....	1,114	500	
Obligations incurred.....	6,651,357	6,002,500	6,000,000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$1,026,971	\$2,019,023	\$1,861,723
Obligations incurred during the year.....	6,651,357	6,002,500	6,000,000
	7,678,328	8,021,523	7,861,723

ANALYSIS OF EXPENDITURES—continued

	1954 actual	1955 estimate	1956 estimate
Adjustment in obligations of prior years.....	—\$212,164		
Reimbursements.....	—1,919	—\$2,500	
Obligated balance carried forward.....	—2,019,023	—1,861,723	—\$862,723
Total expenditures.....	5,445,222	6,157,300	6,999,000
Expenditures are distributed as follows:			
Out of current authorizations.....	4,631,915	4,141,500	5,140,000
Out of prior authorizations.....	813,307	2,015,800	1,859,000

RURAL ELECTRIFICATION ADMINISTRATION

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U. S. C. 901–924), as follows:

LOAN AUTHORIZATIONS**Loans, Rural Electrification Administration, Agriculture**

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3 (a) of said Act as follows: Rural electrification program, **[\$135,000,000]** \$160,000,000; and rural telephone program, **[\$75,000,000]** \$70,000,000; and additional amounts, not to exceed \$35,000,000 for the rural electrification program, may be borrowed under the same terms and conditions to the extent that such additional amounts are required during the fiscal year **[1955]** 1956, under the then existing conditions, for the expeditious and orderly development of the program, *but only if the provisions in effect January 1, 1955, of the allotment formulas set forth in paragraphs (c) and (d) of section 3 of said Act (7 U. S. C. 903 (c) (d)) are not repealed by a law enacted by the first session, Eighty-fourth Congress. (Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)*

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Authorization to expend from public debt receipts.....	\$240,500,000	\$210,000,000	\$230,000,000
Unobligated balance brought forward (authorization to expend from public debt receipts).....	37,011,703	55,154,366	31,254,366
Recovery of prior year obligations.....	19,458,763	6,100,000	4,000,000
Total available for obligation.....	296,970,466	271,254,366	265,254,366
Unobligated balance carried forward (authorization to expend from public debt receipts).....	—55,154,366	—31,254,366	—254,366
Obligations incurred.....	241,816,100	240,000,000	265,000,000

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
1. Rural electrification.....	\$167,104,100	\$165,000,000	\$185,000,000
2. Rural telephone.....	74,712,000	75,000,000	80,000,000
Obligations incurred.....	241,816,100	240,000,000	265,000,000

PROGRAM AND PERFORMANCE

The Administration conducts two major programs: (a) The rural electrification program, to provide electric service to farms and other rural establishments; and (b) the rural telephone program, to furnish and improve telephone service in rural areas.

It is expected that electrification and telephone loans will increase in 1956.

1. *Rural electrification.*—This program is financed through loans which bear 2 percent interest and must be repaid within a period not to exceed 35 years. Loans are also made for shorter periods at 2 percent interest to electrification borrowers to be reloaned to their consumers for wiring and for the installation of electrical and plumbing appliances and equipment. Funds for making loans are borrowed from the Secretary of the Treasury.

When the rural electrification program was initiated in 1935, less than 11 percent of all farms had electric service. On June 30, 1954, the figure had risen to about 92 percent.

PROGRESS AND STATUS OF THE ELECTRIFICATION PROGRAM

Item	1954 actual	1955 estimate	1956 estimate
Total loans (since 1935), cumulative, net.....	\$2,885,932,099	\$3,046,832,099	\$3,227,832,099
Loans, annual.....	\$167,104,100	\$165,000,000	\$185,000,000
Rescissions during year of prior loans.....	\$11,181,087	\$4,100,000	\$4,000,000
Amount of principal, repaid, cumulative.....	\$338,884,697	\$407,434,697	\$484,814,697
Amount of interest paid, cumulative.....	\$177,303,205	\$204,978,205	\$236,958,205
Miles energized, cumulative.....	1,315,630	1,353,630	1,387,630
Miles energized, annual.....	44,187	38,000	34,000
Consumers connected, cumulative.....	4,109,223	4,259,223	4,394,223
Consumers connected, annual.....	157,283	150,000	135,000
Number of borrowers.....	1,079	1,080	1,081

2. *Rural telephone.*—Loans are made for the purpose of financing the improvement, expansion, construction, acquisition, and operation of telephone lines and facilities or systems to furnish and improve telephone service in rural areas. The loans bear 2 percent interest and must be repaid within a period not to exceed 35 years. Funds for making loans are borrowed from the Secretary of the Treasury.

The 1950 census showed 38.2 percent of all farms with telephones, fewer in both number and percentage than in 1920. Cumulative Rural Electrification Administration loans through June 30, 1954, will provide initial or improved service to an estimated more than 400,000 rural subscribers.

PROGRESS AND STATUS OF THE TELEPHONE PROGRAM

Item	1954 actual	1955 estimate	1956 estimate
Total loans (since 1950), cumulative, net.....	\$184,578,542	\$257,578,542	\$337,578,542
Loans, annual.....	\$74,712,000	\$75,000,000	\$80,000,000
Rescissions during year of prior loans.....	\$8,277,676	\$2,000,000	.....
Loan estimate:			
Miles of pole line to be improved, cumulative.....	8,098	10,000	13,000
Miles of pole line to be improved, annual.....	697	1,902	3,000
Miles of pole line to be constructed, cumulative.....	117,478	166,000	216,000
Miles of pole line to be constructed, annual.....	36,542	48,522	50,000
Subscribers, service to be improved, cumulative.....	191,012	264,000	341,000
Subscribers, service to be improved, annual.....	51,239	72,988	77,000
New subscribers to be connected, cumulative.....	219,645	305,000	396,000
New subscribers to be connected, annual.....	56,821	85,355	91,000
Number of borrower-loans approved.....	279	375	500
Construction completed:			
Miles of pole line improved, cumulative.....	1,498	4,000	8,000
Miles of pole line improved, annual.....	1,167	2,502	4,000
Miles of new pole line constructed, cumulative.....	25,043	54,000	99,000
Miles of new pole line constructed, annual.....	16,996	28,957	45,000
Subscribers, service improved, cumulative.....	38,000	78,000	144,000
Subscribers, service improved, annual.....	25,778	40,000	66,000
New subscribers connected, cumulative.....	47,000	96,000	177,000
New subscribers connected, annual.....	34,493	49,000	81,000
Borrowers with all or part of systems cut-over.....	95	165	290

OBLIGATIONS BY OBJECTS

16 Investments and loans—1954, \$241,816,100; 1955, \$240,000,000; 1956, \$265,000,000.

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward (authorization to expend from public debt receipts).....	\$554,265,481	\$566,654,160	\$590,554,160
Obligations incurred during the year.....	241,816,100	240,000,000	265,000,000
Adjustment in obligations of prior years.....	796,081,581	806,654,160	855,554,160
Obligated balance carried forward (authorization to expend from public debt receipts).....	—19,458,763	—6,100,000	—4,000,000
Total expenditures.....	—566,654,160	—590,554,160	—626,554,160
Expenditures are distributed as follows:			
Out of current authorizations.....	209,968,658	10,000,000	10,000,000
Out of prior authorizations.....	209,968,658	200,000,000	215,000,000

SALARIES AND EXPENSES

Salaries and Expenses, Rural Electrification Administration

For administrative expenses, including not to exceed \$500 for financial and credit reports, and not to exceed **[\$75,000]** \$150,000 for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), **[\$7,285,000]** \$7,680,000. (5 U. S. C. 511–512; 7 U. S. C. 901–924; Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

Appropriated 1955, **\$7,285,000**

Estimate 1956, **\$7,680,000**

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$7,775,000	\$7,285,000	\$7,680,000
Transferred, pursuant to Public Law 286, to—			
“Salaries and expenses, Bureau of Agricultural Economics”.....	—100,500	.....	.....
“Operating and administrative expenses, Federal Crop Insurance Corporation”.....	—100,000	.....	.....
“Salaries and expenses, Office of Information, Agriculture”.....	—9,500	.....	.....
Adjusted appropriation or estimate.....	7,565,000	7,285,000	7,680,000
Reimbursements from other accounts.....	2,841	.....	.....
Total available for obligation.....	7,567,841	7,285,000	7,680,000
Unobligated balance, estimated savings.....	—250,264	.....	.....
Obligations incurred.....	7,317,577	7,285,000	7,680,000
Comparative transfer to “Salaries and expenses, Federal Extension Service”.....	—11,062	.....	.....
Total obligations.....	7,306,515	7,285,000	7,680,000

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Administration of rural electrification program.....	\$4,505,355	\$4,148,945	\$4,148,945
2. Administration of rural telephone program.....	2,798,319	3,136,055	3,531,055
Total direct obligations.....	7,303,674	7,285,000	7,680,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. Administration of rural electrification program.....	2,816	.....	.....
2. Administration of rural telephone program.....	25	.....	.....
Total obligations payable out of reimbursements from other accounts.....	2,841	.....	.....
Total obligations.....	7,306,515	7,285,000	7,680,000

PROGRAM AND PERFORMANCE

So that electric and telephone service may be available to all farms, borrowers are encouraged to develop their systems on an area-coverage basis. Loan applications are studied to assure self-liquidating operations. When applications are received from existing companies, the quality of business management is appraised and consultation in this field provided when needed. Engineering standards are developed for the design and construction of facilities at minimum cost; engineering review of designs and physical facilities is provided where necessary to assure that construction conforms to approved standards and is adequate to meet the needs of rural consumers; and engineering studies are carried on to solve complex technical problems. Business-management consultation is furnished on a selective basis of need to protect the Government's loan security, and new borrowers are given technical accounting help in establishing the necessary accounting systems to meet accounting requirements of regulatory bodies. Borrowers are required to have their records audited by

RURAL ELECTRIFICATION ADMINISTRATION— Continued

SALARIES AND EXPENSES—continued

Salaries and Expenses, Rural Electrification Administration—Con. certified public accountants and, as accounting and other management problems affecting loan security are revealed by these audits, the administration, to the extent necessary, works with borrowers on their technical accounting problems.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	1,104	1,025	1,078
Full-time equivalent of all other positions.....	3	4	4
Average number of all employees.....	1,020	1,006	1,047
Number of employees at end of year.....	997	1,018	1,058
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,865	\$5,884	\$5,893
Average grade.....	GS-9.1	GS-9.0	GS-9.1
Personal service obligations:			
Permanent positions.....	\$5,905,822	\$5,900,505	\$6,138,351
Positions other than permanent.....	37,932	46,000	48,750
Regular pay in excess of 52-week base.....	22,172	22,495	23,399
Payment above basic rates.....	9,039	11,000	13,500
Total personal service obligations.....	5,974,965	5,980,000	6,224,000
<i>Direct Obligations</i>			
01 Personal services.....	5,972,124	5,980,000	6,224,000
02 Travel.....	874,287	868,000	968,000
03 Transportation of things.....	32,241	31,000	35,500
04 Communication services.....	114,710	117,500	121,500
05 Rents and utility services.....	27,045	28,000	28,000
06 Printing and reproduction.....	80,557	90,000	95,000
07 Other contractual services.....	10,094	27,500	50,000
Services performed by other agencies.....	96,237	59,000	71,500
08 Supplies and materials.....	37,318	37,000	39,000
09 Equipment.....	53,785	40,000	40,000
13 Refunds, awards, and indemnities:			
Awards for employee suggestions.....		250	250
15 Taxes and assessments.....	5,276	6,750	7,250
Total direct obligations.....	7,303,674	7,285,000	7,680,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	2,841		
Total obligations.....	7,306,515	7,285,000	7,680,000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$703,823	\$632,083	\$557,083
Obligations incurred during the year.....	7,317,677	7,285,000	7,680,000
Adjustment in obligations of prior years.....	8,021,400	7,917,083	8,237,083
Reimbursements.....	-20,422		
Obligated balance carried to certified claims account.....	-2,841		
Obligated balance carried forward.....	-17,807		
	-632,083	-557,083	-660,083
Total expenditures.....	7,348,247	7,360,000	7,577,000
Expenditures are distributed as follows:			
Out of current authorizations.....	6,716,755	6,727,917	7,019,917
Out of prior authorizations.....	631,492	632,083	557,083

FARMERS' HOME ADMINISTRATION

[To carry into effect the provisions of titles I, II, and the related provisions of title IV of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1000-1031); the Farmers' Home Administration Act of 1946 (7 U. S. C. 1001, note; 31 U. S. C. 82h; 12 U. S. C. 371; 35 D. C. Code 535; 60 Stat. 1062-1080); the Act of July 30, 1946 (40 U. S. C. 436-439); the Act of August 28, 1937, as amended (16 U. S. C. 590r-590x, 590z-5), for the development of facilities for water storage and utilization in the arid and semiarid areas of the United States; the provisions of title V of the Housing Act of 1949 (42 U. S. C. 1471-1483), as amended by the Housing Act of 1952 (Public Law 531, approved July 14, 1952), relating to financial assistance for farm

housing; the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U. S. C. 440-444); the items "Loans to farmers, 1948 flood damage" in the Act of June 25, 1948 (62 Stat. 1038), and "Loans to farmers, property damage" in the Act of May 24, 1949 (63 Stat. 82); the collecting and servicing of credit sales and development accounts in water conservation and utilization projects (53 Stat. 685, 719), as amended and supplemented (16 U. S. C. 590y, z1 and z10); and the Act to direct the Secretary of Agriculture to convey certain mineral interests, approved September 6, 1950 (7 U. S. C. 1033-1039), as follows:]

LOAN AUTHORIZATIONS

Loans, Farmers' Home Administration

For loans (including payments in lieu of taxes [and], taxes, and advances under section [50] 51 of the Bankhead-Jones Farm Tenant Act, as amended, and similar advances [incident to the acquisition and preservation of security of obligations] under [the foregoing several authorities] the Act of August 11, 1939, as amended, 16 U. S. C. 590y, z1-z10) as follows: Title I and section 43 of title IV of the Bankhead-Jones Farm Tenant Act, as amended [\$19,000,000] (7 U. S. C. 1001-1031), \$13,000,000, of which not to exceed \$5,000,000 may be distributed to States and Territories without regard to farm population and prevalence of tenancy, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public land; title II of the Bankhead-Jones Farm Tenant Act, as amended, \$122,500,000; the Act of August 28, 1937, as amended [\$6,500,000] (16 U. S. C. 590r-x), \$11,500,000: *Provided*, That not to exceed the foregoing several amounts shall be borrowed in one account from the Secretary of the Treasury in accordance with the provisions set forth under this head in the Department of Agriculture Appropriation Act, 1952.

[For loans under the Act of August 28, 1937, as amended, \$5,000,000: *Provided*, That not to exceed the foregoing amount shall be borrowed from the Secretary of the Treasury in the manner authorized under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1955: *Provided further*, That this authorization shall be effective only upon enactment into law of either H. R. 8386 or S. 3137, Eighty-third Congress.] (Act of July 22, 1954, Public Law 521; Act of Aug. 17, 1954, Public Law 597; Department of Agriculture and Farm Credit Administration Appropriation Act, 1955; Supplemental Appropriation Act, 1955.)

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Authorization to expend from public debt receipts.....	\$182,000,000	\$153,000,000	\$147,000,000
Unobligated balance brought forward (authorization to expend from public debt receipts).....		61,227	
Recovery of prior year obligations.....	179,161		
Total available for obligation.....	182,179,161	153,061,227	147,000,000
Unobligated balance carried forward.....	-61,227		
Unobligated balance, estimated savings (authorization to expend from public debt receipts).....	-15,047		
Obligations incurred.....	182,102,887	153,061,227	147,000,000

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
1. Farm ownership loans.....	\$19,538,666	\$19,000,000	\$13,000,000
2. Farm housing loans.....	16,067,934	61,227	
3. Production and subsistence loans.....	139,996,321	122,500,000	122,500,000
4. Water facilities loans.....	6,499,966		
5. Soil and water conservation loans.....		11,500,000	11,500,000
Obligations incurred.....	182,102,887	153,061,227	147,000,000

PROGRAM AND PERFORMANCE

For the benefit of farmers unable to secure credit from other sources at reasonable rates, the Administration makes (a) direct loans and insured loans for the purchase, enlargement, or development, including construction and repair of dwellings and other farm buildings, of family-size farms; (b) loans for farm operating expenses; and (c) direct loans and insured loans for water facilities and soil conservation purposes.

The total borrowing authorization requested for loans amounts to \$147,000,000, representing a decrease of \$6,000,000 below the current year's authorization for direct farm ownership loans.

1. *Farm ownership loans.*—Direct farm ownership loans for the purchase or improvement, including farm housing and other building construction, of family-type farms are made to tenants, sharecroppers, farm laborers, owners of inadequate farms, and eligible veterans up to the full normal value of the farm at 4½ percent interest for periods up to 40 years. Loans for the same purposes made by private lenders to eligible applicants are insured in amounts up to 90 percent of the normal farm value for periods up to 40 years at 3½ percent interest, plus one-half of 1 percent as an insurance premium and one-half of 1 percent toward administrative expenses. The Administration services these insured loans, makes collections and pays the lender.

INITIAL FARM OWNERSHIP LOANS

Type	1954 actual		1955 estimate		1956 estimate	
	Number	Amount	Number	Amount	Number	Amount
Number of applications.....	43,951		55,000		65,000	
Direct loans.....	1,523	\$17,424,580	1,600	\$17,400,000	1,000	\$11,700,000
Insured loans.....	873	9,428,783	2,854	24,000,000	5,500	45,000,000

2. *Farm housing loans.*—Farm housing loans authorized by title V of the Housing Act of 1949, as amended, were made in each of the years 1950 through 1954. No funds are available under this authority in 1955 or requested for 1956. Farm owners applying for loans of this type are being assisted by farm ownership loans designed specifically to cover the building requirements of these applicants.

3. *Production and subsistence loans.*—Loans are made for periods up to 7 years at 5 percent interest to provide reasonable farm and home credit for the purchase of livestock, feed, seed, farm equipment, and other farm necessities.

INITIAL AND SUBSEQUENT LOANS

	1954 actual	1955 estimate	1956 estimate
Number of applications.....	131,588	144,000	144,000
Number of loans made.....	73,137	68,250	68,250
Amount of loans made.....	\$139,996,321	\$122,500,000	\$122,500,000

4. *Soil and water conservation loans.*—For the effective development and utilization of water supplies and for the improvement of farmland by soil and water conserving facilities and practices, direct loans are made and loans are insured to farmers and associations at 4½ percent interest for direct loans and 3½ percent interest for insured loans, plus one-half of 1 percent as an insurance premium and one-half of 1 percent toward administrative expenses for periods up to 20 years for individuals and 40 years for associations.

INITIAL LOANS

Type	1954 actual		1955 estimate		1956 estimate	
	Number	Amount	Number	Amount	Number	Amount
Number of applications.....	4,653		15,000		26,000	
Direct loans:						
To individuals.....	1,039	\$4,705,880	2,230	\$7,800,000	2,230	\$7,800,000
To groups.....	36	1,410,050	55	3,300,000	55	3,300,000
Insured loans:						
To individuals.....			2,430	7,300,000	7,300	22,000,000
To groups.....			20	1,200,000	40	2,400,000

COLLECTIONS OF PRINCIPAL AND INTEREST

	1954 actual	1955 estimate	1956 estimate
Direct farm ownership loans.....	\$20,905,490	\$21,570,000	\$22,495,000
Farm housing loans.....	8,426,843	9,300,000	8,800,000
Production and subsistence loans.....	101,654,974	112,303,000	116,867,000
Soil and water conservation loans.....	2,764,416	3,370,000	4,200,000
Total.....	133,751,723	146,543,000	152,362,000

OBLIGATIONS BY OBJECTS

16 Investments and loans—1954, \$182,102,887; 1955, \$153,061,227; 1956, \$147,000,000.

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward (authorization to expend from public debt receipts).....	\$1,933,190	\$2,874,030	\$1,935,257
Obligations incurred during the year.....	182,102,887	153,061,227	147,000,000
Adjustment in obligations of prior years.....	184,036,077	155,935,257	148,935,257
Obligated balance carried forward (authorization to expend from public debt receipts).....	-447,994		
	-2,874,030	-1,935,257	-1,435,257
Total expenditures.....	180,714,053	154,000,000	147,500,000
Expenditures are distributed as follows:			
Out of current authorizations.....	180,714,053	151,124,000	145,565,000
Out of prior authorizations.....		2,876,000	1,935,000

SALARIES AND EXPENSES

Salaries and Expenses, Farmers' Home Administration

For making, servicing, and collecting [loans] direct and insured [mortgages, the servicing and collecting of loans made under prior authority,] loans, and the liquidation of assets, administered by or transferred to Farmers' Home Administration, and other administrative expenses, [\$23,550,000] \$24,500,000, together with a transfer of not to exceed [\$400,000] \$500,000 of the fees and administrative expense charges made available by subsections (d) and (e) of section 12 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1005 (b)), and section 10 (c) of the Act of August 28, 1937, as amended. (Act of July 22, 1954, Public Law 521; Act of Aug. 17, 1954, Public Law 597; Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

Appropriated 1955, \$23,550,000 Estimate 1956, \$24,500,000

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$27,600,000	\$23,550,000	\$24,500,000
Transferred, pursuant to Public Law 256, to—			
"Salaries and expenses, Federal Extension Service".....	-833,000		
"Salaries and expenses, Foreign Agricultural Service".....	-30,000		
Adjusted appropriation or estimate.....	26,737,000	23,550,000	24,500,000
Reimbursements from non-Federal sources.....	15,502	20,000	20,000
Reimbursements from other accounts:			
Farm tenant-mortgage insurance fund.....	260,000	310,000	420,000
Other.....	87,662	106,000	106,000
Total available for obligation.....	27,100,164	23,986,000	25,046,000
Unobligated balance, estimated savings.....	-324,754		
Obligations incurred.....	26,775,410	23,986,000	25,046,000

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of personal property (40 U. S. C. 481 (c)), and refund of terminal leave payments (5 U. S. C. 61 (b)).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Administration of direct and insured loan programs.....	\$26,412,246	\$23,550,000	\$24,500,000
2. Obligations under reimbursements from non-Federal sources.....	15,502	20,000	20,000
Total direct obligations.....	26,427,748	23,570,000	24,520,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. Administration of direct and insured loan programs.....	347,662	416,000	526,000
Obligations incurred.....	26,775,410	23,986,000	25,046,000

PROGRAM AND PERFORMANCE

County supervisors and county supervisor-appraisers, assisted in a few of the larger workload States by appraisers and engineers working on a statewide basis, review loan

FARMERS' HOME ADMINISTRATION—Continued**SALARIES AND EXPENSES—continued****Salaries and Expenses, Farmers' Home Administration—Con.**

applications, secure the approval of the county committee, and make loans within specified limits. Loans above such limits are approved by State office representatives. County office personnel collect and service outstanding loans.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	5,396	4,531	4,701
Full-time equivalent of all other positions.....	298	387	433
Average number of all employees.....	5,280	4,769	5,005
Number of employees at end of year.....	8,443	8,650	8,860
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,398	\$4,330	\$4,345
Average grade.....	GS-5.7	GS-5.6	GS-5.6
Personal service obligations:			
Permanent positions.....	\$21,869,145	\$19,021,965	\$19,905,970
Positions other than permanent.....	448,941	559,000	619,000
Regular pay in excess of 52-week base.....	71,999	73,200	77,000
Payment above basic rates.....	114,867	150,660	120,000
Other payments for personal services.....	371		
Total personal service obligations.....	22,505,323	19,804,825	20,721,970
<i>Direct Obligations</i>			
01 Personal services.....	22,220,265	19,470,500	20,287,400
02 Travel.....	2,385,538	2,264,100	2,400,600
03 Transportation of things.....	154,857	121,000	101,000
04 Communication services.....	510,750	520,700	524,500
05 Rents and utility services.....	647,916	605,600	620,000
06 Printing and reproduction.....	119,558	119,200	119,200
07 Other contractual services.....	109,918	170,500	183,500
Services performed by other agencies.....	42,824	38,000	38,000
08 Supplies and materials.....	110,136	109,200	109,600
09 Equipment.....	98,759	124,800	109,800
13 Refunds, awards, and indemnities.....		200	200
Awards for employee suggestions.....	950	1,200	1,200
15 Taxes and assessments.....	26,268	25,000	25,000
Total direct obligations.....	26,427,748	23,570,000	24,520,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	285,058	334,325	434,570
02 Travel.....	24,267	28,700	38,900
05 Rents and utility services.....	26,968	29,000	29,000
07 Other contractual services.....	11,249	23,975	23,530
08 Supplies and materials.....	120		
Total obligations payable out of reimbursements from other accounts.....	347,662	416,000	526,000
Obligations incurred.....	26,775,410	23,986,000	25,046,000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$2,229,746	\$1,962,654	\$1,200,654
Obligations incurred during the year.....	26,775,410	23,986,000	25,046,000
Adjustment in obligations of prior years.....	29,005,156	25,948,654	26,246,654
Reimbursements.....	-69,398		
Obligated balance carried forward.....	-363,164	-436,000	-546,000
Total expenditures.....	26,609,940	24,312,000	24,400,000
Expenditures are distributed as follows:			
Out of current authorizations.....	24,452,546	22,350,000	23,200,000
Out of prior authorizations.....	2,157,394	1,962,000	1,200,000

Miscellaneous**Advances From Secretary of the Treasury for Farm Tenancy Loans, Agriculture****AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

Unobligated balance brought forward (obligations incurred)—1954, \$60,965.

OBLIGATIONS BY ACTIVITIES

Repayment to Treasury—1954, \$60,965.

OBLIGATIONS BY OBJECTS

11 Grants, subsidies, and contributions (repayment to Treasury)—1954, \$60,965.

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

Obligations incurred during the year (total expenditures out of prior authorizations)—1954, \$60,965.

Grants, Farm Housing, Farmers' Home Administration, Agriculture**AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Unobligated balance brought forward.....	\$122,252	\$500	
Unobligated balance transferred to "Foot-and-mouth and other contagious diseases of animals and poultry, Agricultural Research Service," pursuant to 66 Stat. 335.....	-122,252	-500	
Recovery of prior year obligations.....	500		
Unobligated balance carried forward.....	-500		
Obligations incurred.....			

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

Adjustment in obligations of prior years (total expenditures out of prior authorizations)—1954, -\$500.

Allotments and Allocations Received From Other Appropriation Accounts

NOTE.—Obligations incurred under allotments and allocations from other appropriations are shown in the schedules of the parent appropriations, as follows:

"Flood prevention, Agriculture."

"Disaster loans, etc., revolving fund, Department of Agriculture."

"Disaster relief, Executive Office of the President."

OFFICE OF THE SOLICITOR**Salaries and Expenses, Office of the Solicitor, Agriculture**

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, **[\$2,030,000]** \$2,164,000, together with such amounts from other appropriations or authorizations as are provided in the schedules in the budget for the current fiscal year for such expenses, which several amounts not exceeding a total of **[\$300,000]** \$375,000 shall be transferred to and made a part of this appropriation. (5 U. S. C. 511-512, 518; Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

Appropriated 1955, **a \$2,075,000** Estimate 1956, **b \$2,164,000**
 Appropriated (adjusted) 1955, **a \$2,115,000**

^a Includes \$45,000 appropriated in Supplemental Appropriation Act, 1955.^b Includes \$40,000 for activities previously carried under "Watershed protection, Soil Conservation Service," and excludes \$36,000 for activities transferred in the estimates to "Salaries and expenses, Office of the Secretary of Agriculture." The amounts obligated in 1954 and 1955 are shown in the schedule as comparative transfers.**AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$2,300,000	\$2,075,000	\$2,164,000
Transferred to "Salaries and expenses, Office of Information, Agriculture," pursuant to Public Law 286.....	-50,000		
Transferred from "Watershed protection, Soil Conservation Service," pursuant to Public Law 663.....		40,000	
Adjusted appropriation or estimate.....	2,250,000	2,115,000	2,164,000
Reimbursements from non-Federal sources.....	2,130	1,800	1,800
Reimbursements from other accounts.....	303,103	300,000	375,000
Total available for obligation.....	2,555,233	2,416,800	2,540,800
Unobligated balance, estimated savings.....	-93,195		
Obligations incurred.....	2,462,038	2,416,800	2,540,800

AMOUNTS AVAILABLE FOR OBLIGATION—continued

	1954 actual	1955 estimate	1956 estimate
Comparative transfer from— "Agriculture Marketing Act, Agriculture"	\$4,862		
"Flood prevention, Soil Conservation Service"	18,000		
Comparative transfer to "Salaries and expenses, Office of the Secretary of Agriculture"	-35,500	-36,000	
Total obligations.....	2,449,400	2,380,800	\$2,540,800

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sale of personal property (40 U. S. C. 481 (c)) and refund of terminal leave payments (5 U. S. C. 61b).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Agricultural credit.....	\$947,387	\$912,000	\$996,000
2. Commodity credit, production, and adjustment programs.....	300,186	284,000	239,000
3. Lands, forestry, research, and general legal services.....	512,305	491,000	491,000
4. Marketing and regulatory laws.....	384,289	392,000	438,000
5. Obligations under reimbursements from non-Federal sources.....	2,130	1,800	1,800
Total direct obligations.....	2,146,297	2,080,800	2,165,800
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. Agricultural credit.....	808		
2. Commodity credit, production, and adjustment programs.....	300,508	300,000	375,000
3. Lands, forestry, research, and general legal services.....	1,370		
4. Marketing and regulatory laws.....	417		
Total obligations payable out of reimbursements from other accounts.....	303,103	300,000	375,000
Total obligations.....	2,449,400	2,380,800	2,540,800

PROGRAM AND PERFORMANCE

The Office performs all the legal work arising from the activities of the Department and represents the Department in proceedings in connection with the administration of regulatory laws of the Department. The Office assists the Department of Justice by preparing briefs for and participating in the trial of cases in court.

1. *Agricultural credit.*—Legal services are provided the Farmers' Home Administration for its various loan programs, and for the electrification and telephone loan programs of the Rural Electrification Administration. This work includes the review and legal approval of loan and security documents; review and legal approval of borrower's contracts, titles, easements, franchises, rights-of-way; and participation in litigation before State regulatory bodies and in the courts.

2. *Commodity credit, production, and adjustment programs.*—Legal services are provided for price-support activities, domestic and foreign procurement, disposal of agricultural surpluses, national school-lunch program, agricultural conservation, farm-marketing quotas, crop insurance, sugar programs, claims settlement and adjustment, international trade and commodity agreements, and import restrictions. The Solicitor serves as general counsel for both the Commodity Credit Corporation and the Federal Crop Insurance Corporation.

3. *Lands, forestry, research, and general legal services.*—In addition to general legal services rendered for the Department as a whole, legal and abstracting services are provided in connection with the acquisition and exchange of lands; operation and management of the national forests, soil-conservation districts, and other public lands;

flood prevention; patents; and agricultural research projects.

4. *Marketing and regulatory laws.*—Legal services are furnished in connection with the administration and enforcement of quarantine acts and legal provisions relating to the marketing and distribution of agricultural commodities.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	458	435	469
Full-time equivalent of all other positions.....	1	1	1
Average number of all employees.....	393	385	416
Number of employees at end of year.....	380	387	420
<i>Average salaries and grades:</i>			
General schedule grades:			
Average salary.....	\$5,692	\$5,625	\$5,604
Average grade.....	GS-8.1	GS-7.9	GS-7.9
<i>Personal service obligations:</i>			
Permanent positions.....	\$2,274,585	\$2,200,297	\$2,348,624
Positions other than permanent.....	5,929	8,500	2,000
Regular pay in excess of 52-week base.....	8,750	8,460	9,000
Payment above basic rates.....	2,070	2,657	2,713
Total personal service obligations.....	2,291,334	2,219,914	2,362,337
<i>Direct Obligations</i>			
01 Personal services.....	2,007,934	1,938,324	2,014,468
02 Travel.....	56,023	55,736	59,896
03 Transportation of things.....	6,251	3,100	3,100
04 Communication services.....	24,927	23,350	24,025
05 Rents and utility services.....	2,053	1,500	1,500
06 Printing and reproduction.....	14,197	15,500	16,000
07 Other contractual services.....	3,851	8,245	9,812
Services performed by other agencies.....	2,151	1,975	1,975
08 Supplies and materials.....	15,591	16,530	17,154
09 Equipment.....	10,785	12,600	13,310
13 Refunds, awards, and indemnities.....		440	440
15 Taxes and assessments.....	2,534	3,500	4,120
Total direct obligations.....	2,146,297	2,080,800	2,165,800
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	283,400	281,590	347,869
02 Travel.....	8,125	6,300	12,640
03 Transportation of things.....	1,015	500	500
04 Communication services.....	3,489	2,800	3,350
06 Printing and reproduction.....	2,015	2,500	2,800
07 Other contractual services.....	537	1,050	1,441
Services performed by other agencies.....	302	500	500
08 Supplies and materials.....	2,366	2,500	2,970
09 Equipment.....	1,501	1,800	1,990
13 Refunds, awards, and indemnities.....		60	60
15 Taxes and assessments.....	353	400	880
Total obligations payable out of reimbursements from other accounts.....	303,103	300,000	375,000
Total obligations.....	2,449,400	2,380,800	2,540,800

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$177,406	\$189,020	\$185,000
Obligations incurred during the year.....	2,462,038	2,416,800	2,540,800
Adjustment in obligations of prior years.....	2,639,444	2,605,820	2,725,800
Reimbursements.....	-1,622		
Obligated balance carried to certified claims account.....	-305,233	-301,800	-376,800
Obligated balance carried forward.....	-117		
Total expenditures.....	2,143,452	2,119,020	2,155,000
<i>Expenditures are distributed as follows:</i>			
Out of current authorizations.....	1,967,936	1,934,020	1,975,000
Out of prior authorizations.....	175,516	185,000	180,000

Miscellaneous

Allotments Received From Other Appropriation Accounts

NOTE.—Obligations incurred under allotments from other appropriations are shown in the schedule of the parent appropriation, as follows: "Disaster loans, etc., revolving fund, Department of Agriculture."

OFFICE OF THE SECRETARY

Salaries and Expenses, Office of the Secretary of Agriculture

For expenses of the Office of the Secretary of Agriculture, including the purchase of one passenger motor vehicle for replacement only; expenses of the National Agricultural Advisory Commission; stationery, supplies, materials, and equipment; freight, express, and drayage charges; advertising of bids, communication service, postage, washing towels, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture; [\$2,080,000] \$2,172,600, together with such amounts from other appropriations or authorizations as are provided in the schedules in the budget for the current fiscal year for such services and expenses, which several amounts or portions thereof, as may be determined by the Secretary, not exceeding a total of \$84,280, shall be transferred to and made a part of this appropriation. (5 U. S. C. 511-517; secs. 511-512—establishing the Department of Agriculture, which was implemented by the Act of July 24, 1919 (5 U. S. C. 563-564), apply to all appropriation items of the Department which are not based upon specific legislative authority either incorporated in the language of the item or cited immediately thereunder; 5 U. S. C. 520a, 542-1, 543b, 1001; Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

Appropriated 1955, \$2,080,000

Estimate 1956, * \$2,172,600

* Includes \$36,000 for activities previously carried under "Salaries and expenses, Office of the Solicitor, Agriculture." The amounts obligated in 1954 and 1955 are shown in the schedule as comparative transfers.

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$2,188,000	\$2,080,000	\$2,172,600
Reimbursements from non-Federal sources.....	395		
Reimbursements from other accounts:			
"Administrative expenses, Commodity Credit Corporation".....	84,280	84,280	84,280
"Flood prevention, Agriculture".....	7,548		
Other.....	72,456	81,481	81,481
Total available for obligation.....	2,352,679	2,245,761	2,338,361
Unobligated balance, estimated savings.....	-71,859		
Obligations incurred.....	2,280,820	2,245,761	2,338,361
Comparative transfers from "Salaries and expenses, Office of the Solicitor, Agriculture".....	35,500	36,000	
Total obligations.....	2,316,320	2,281,761	2,338,361

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of personal property (40 U. S. C. 481 (c)).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. General administration.....	\$448,905	\$464,500	\$521,100
2. Personnel administration and service.....	470,347	454,000	454,000
3. Budgetary and financial administration and service.....	678,814	649,500	649,500
4. General operations.....	424,575	403,100	403,100
5. Regulatory hearings and decisions.....	129,000	133,400	133,400
6. National Agricultural Advisory Commission.....		11,500	11,500
7. Obligations under reimbursements from non-Federal sources.....	395		
Total direct obligations.....	2,152,036	2,116,000	2,172,600
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. General administration.....	20,694	10,298	10,298
2. Personnel administration and service.....	91,594	104,090	104,090
3. Budgetary and financial administration and service.....	29,121	28,498	28,498
4. General operations.....	22,875	22,875	22,875
Total obligations payable out of reimbursements from other accounts.....	164,284	165,761	165,761
Total obligations.....	2,316,320	2,281,761	2,338,361

PROGRAM AND PERFORMANCE

The Office provides the overall planning, coordination, and administration of the Department's programs, and also supplies certain services on a departmentwide basis.

1. *General administration.*—The Secretary, the Under Secretary, and the Assistant Secretaries, assisted by their staffs, develop policies, execute legislative and administrative policy determinations, maintain liaison with Congress, coordinate activities within the Department and with other departments, and provide direction for the Department as a whole, including its participation in international programs.

2. *Personnel administration and service.*—The Office develops and promulgates departmental policies and procedures relating to employment, classification, employee development, and performance, safety, security, awards, investigations, discipline, health, and organization affecting personnel management. The operational phases of the personnel management program are substantially delegated to the agencies. The Office conducts a periodic review to insure unification of the personnel management program and to measure its effectiveness in the agencies.

3. *Budgetary and financial administration and service.*—Departmentwide supervision, leadership, and coordination are provided in the fields of budgetary, fiscal, property, and supply management, and in related activities of the Department. Departmental policies and procedures are formulated and promulgated; programs and legislative proposals are reviewed and evaluated for budgetary, financial, and related implications; and improvements are fostered in the management and operation of work programs administered by the Department.

4. *General operations.*—Departmentwide supervision, leadership, and coordination are provided in the fields of real property and records management; and departmental policies and procedures therefor are formulated and promulgated; administrative services and budgetary functions for the Office of the Secretary; and departmental service operations in the District of Columbia, including the Department's post office, telephone switchboard, telegraph office, reproduction and supply services, and motor transport service are provided.

5. *Regulatory hearings and decisions.*—The hearing examiners hold hearings in connection with the prescribing of new regulations and orders and on disciplinary complaints filed by the Department or on petitions filed by private parties asking relief from some action of the Department. The judicial officer renders final administrative decisions in regulatory proceedings. Agricultural decisions are edited for publication in connection with these proceedings.

6. *National Agricultural Advisory Commission.*—Provision is made for the payment of necessary expenses incident to periodic meetings of the National Agricultural Advisory Commission.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	355	342	349
Full-time equivalent of all other positions.....	2	2	2
Average number of all employees.....	345	338	345
Number of employees at end of year.....	324	332	339
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,801	\$5,865	\$5,913
Average grade.....	GS-8.2	GS-8.2	GS-8.3
Personal service obligations:			
Permanent positions.....	\$2,030,912	\$2,017,415	\$2,066,913
Positions other than permanent.....	19,179	17,000	17,000
Regular pay in excess of 52-week base.....	7,471	7,902	8,133
Payment above basic rates.....	4,596	3,500	3,500
Other payments for personal services.....	1,236		
Total personal service obligations.....	2,063,394	2,045,817	2,095,546

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
01 Personal services.....	\$1,916,630	\$1,899,821	\$1,949,550
02 Travel.....	68,786	98,546	102,416
03 Transportation of things.....	6,022	4,700	4,700
04 Communication services.....	33,151	25,821	25,821
05 Rents and utility services.....	498	400	400
06 Printing and reproduction.....	59,248	50,950	49,935
07 Other contractual services.....	5,427	8,135	9,535
Services performed by other agencies.....	29,650	8,287	8,287
08 Supplies and materials.....	14,483	11,233	11,249
09 Equipment.....	15,121	6,367	8,967
15 Taxes and assessments.....	3,020	1,740	1,740
Total direct obligations.....	2,152,036	2,116,000	2,172,600
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	146,764	145,996	145,996
02 Travel.....	16,690	19,000	19,000
08 Supplies and materials.....	830	765	765
Total obligations payable out of reimbursements from other accounts.....	164,284	165,761	165,761
Total obligations.....	2,316,320	2,281,761	2,338,361

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$168,202	\$143,633	\$133,633
Adjustment in obligations of prior years.....	3,328	-----	-----
Obligations incurred during the year.....	2,280,820	2,245,761	2,338,361
Reimbursements.....	2,452,350	2,389,394	2,471,994
Obligated balance carried forward.....	-164,679	-165,761	-153,233
Total expenditures.....	2,144,038	2,090,000	2,153,000
Expenditures are distributed as follows:			
Out of current authorizations.....	1,974,257	1,950,000	2,023,000
Out of prior authorizations.....	169,781	140,000	130,000

Miscellaneous

Salaries and Expenses, Defense Production Activities, Agriculture

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$155,954	-----	-----
Adjustment in obligations of prior years.....	-489	-----	-----
Total expenditures (out of prior authorizations).....	155,465	-----	-----

Allocations Received From Other Appropriation Accounts

NOTE.—Obligations incurred under allotments and allocations from other appropriations are shown in the schedules of the parent appropriations, as follows: "Mutual security, funds appropriated to the President."

OFFICE OF INFORMATION

Salaries and Expenses, Office of Information, Agriculture

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, **[\$1,196,000] \$1,238,000**, together with such amounts from other appropriations or authorizations as are provided in the schedules in the budget for the current fiscal year for such expenses, which several amounts not exceeding a total of \$16,014 shall be transferred to and made a part of this appropriation, of which total appropriation not to exceed \$537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U. S. C. 417) and not less than

two hundred thirty thousand eight hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U. S. C. 241): *Provided*, That in the preparation of motion pictures or exhibits by the Department, not exceeding a total of \$10,000 may be used for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a): *Provided further*, That no part of this appropriation shall be used for the establishment or maintenance of regional or State field offices, or for the compensation of employees in such offices. (5 U. S. C. 511-512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

Appropriated 1955, **\$1,196,000**Estimate 1956, **\$1,238,000**

* Includes \$20,000 for activities previously carried under the following appropriations:

"Salaries and expenses, Agricultural Research Service".....	\$3,500
"Salaries and expenses, Federal Extension Service".....	5,000
"Salaries and expenses, Forest Service".....	3,700
"Conservation operations, Soil Conservation Service".....	3,800
"Marketing research and service, Agricultural Marketing Service".....	4,000

The amounts obligated in 1954 and 1955 are shown in the schedule as comparative transfers.

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$1,160,000	\$1,196,000	\$1,238,000
Transferred, pursuant to Public Law 286, from—			
"Salaries and expenses, Office of the Solicitor, Agriculture".....	\$50,000	-----	-----
"Salaries and expenses, Rural Electrification Administration".....	9,500	-----	-----
"Removal of surplus agricultural commodities".....	3,500	-----	-----
Adjusted appropriation or estimate.....	1,223,000	1,196,000	1,238,000
Reimbursements from non-Federal sources.....	1,553	-----	-----
Reimbursements from other sources.....	47,159	16,014	16,014
Total available for obligation.....	1,271,712	1,212,014	1,254,014
Unobligated balance, estimated savings.....	-14,356	-----	-----
Obligations incurred.....	1,257,356	1,212,014	1,254,014
Comparative transfer from—			
"Agricultural Marketing Act, Agriculture".....	27,859	-----	-----
"Salaries and expenses, Agricultural Research Service".....	3,430	3,500	-----
"Salaries and expenses, Federal Extension Service".....	4,975	5,000	-----
"Salaries and expenses, Forest Service".....	3,655	3,700	-----
"Conservation operations, Soil Conservation Service".....	3,800	3,800	-----
"Marketing research and service, Agricultural Marketing Service".....	4,160	4,000	-----
Total obligations.....	1,305,235	1,232,014	1,254,014

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of personal property (40 U. S. C. 481 (c)) and the furnishing of reproductions of photographs and of motion-picture footage (7 U. S. C. 1387).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Publications review and distribution.....	\$639,119	\$606,694	\$628,694
2. Review and distribution of current agricultural information.....	384,041	362,535	362,535
3. Review, preparation, and distribution of agricultural information by radio, television, exhibits, and motion pictures.....	233,363	246,771	246,771
4. Obligations under reimbursements from non-Federal sources.....	1,553	-----	-----
Total direct obligations.....	1,258,076	1,216,000	1,238,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. Publications review and distribution.....	26,984	5,595	5,595
2. Review and distribution of current agricultural information.....	7,720	7,445	7,445
3. Review, preparation, and distribution of agricultural information by radio, television, exhibits, and motion pictures.....	12,455	2,974	2,974
Total obligations payable out of reimbursements from other accounts.....	47,159	16,014	16,014
Total obligations.....	1,305,235	1,232,014	1,254,014

OFFICE OF INFORMATION—Continued

Salaries and Expenses, Office of Information, Agriculture—Con.

PROGRAM AND PERFORMANCE

The Office of Information has responsibility for directing, integrating, and coordinating the information work of the entire Department through press, radio, television, publications, motion pictures, exhibits, and other visuals as a part of the effective execution of the research, regulatory, administrative, resource conservation, and other programs of the Department. The workload of the Office is dependent to a large extent upon direct requests for information and to legislative requirements.

Publications include farmers' bulletins, leaflets, periodicals, scientific, research and marketing publications, and agricultural statistics. Exhibits are supplied to State extension workers for their use in State exhibit showings. Motion pictures for the Department are produced on a reimbursable basis and distributed through 74 cooperating State film libraries. Still photographs, illustrations, and graphics are similarly produced. The Department's activities require the issuance of about 3,000 periodic crop, price, and market reports and press releases annually. Special information is furnished to national magazines, encyclopedic annuals, and trade publications. Digests, newsletters, and other services are made available to press associations, daily newspapers, and farm publications. Radio is used to reach farmers locally and to broadcast regular weekly programs on major networks. Television package programs are prepared for use of land-grant colleges and television farm broadcasters.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	131	126	129
Full-time equivalent of all other positions.....	1		
Average number of all employees.....	123	116	119
Number of employees at end of year.....	122	120	123
<i>Average salaries and grades:</i>			
General schedule grades:			
Average salary.....	\$4,948	\$5,051	\$5,023
Average grade.....	GS-6.7	GS-6.6	GS-6.6
<i>Personal service obligations:</i>			
Permanent positions.....	\$610,334	\$584,144	\$592,633
Positions other than permanent.....	1,886		
Regular pay in excess of 52-week base.....	2,300	2,307	2,318
Payment above basic rates.....	1,359		
Total personal service obligations.....	615,879	586,451	594,951
<i>Direct Obligations</i>			
01 Personal services.....	572,448	571,827	580,327
02 Travel.....	7,213	7,000	7,000
03 Transportation of things.....	3,623	3,600	3,600
04 Communication services.....	77,730	80,000	80,000
06 Printing and reproduction.....	549,424	493,623	507,123
07 Other contractual services.....	7,309	7,000	7,000
Services performed by other agencies.....	32,102	45,000	45,000
08 Supplies and materials.....	6,022	6,000	6,000
09 Equipment.....	1,471	1,200	1,200
15 Taxes and assessments.....	734	750	750
Total direct obligations.....	1,258,076	1,216,000	1,238,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	43,431	14,624	14,624
03 Transportation of things.....	67		
06 Printing and reproduction.....	771	750	750
07 Other contractual services:			
Services performed by other agencies.....	662	640	640
08 Supplies and materials.....	2,228		
Total obligations payable out of reimbursements from other accounts.....	47,159	16,014	16,014
Total obligations.....	1,305,235	1,232,014	1,254,014

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$512,539	\$804,729	\$600,729
Obligations incurred during the year.....	1,257,356	1,212,014	1,254,014
Adjustment in obligations of prior years.....	1,769,895	2,016,743	1,854,743
Reimbursements.....	-10,077		
Obligated balance carried to certified claims account.....	-48,712	-16,014	-16,014
Obligated balance carried forward.....	-62		
Total expenditures.....	-804,729	-600,729	-518,729
Total expenditures.....	906,315	1,400,000	1,320,000
<i>Expenditures are distributed as follows:</i>			
Out of current authorizations.....	674,485	800,000	820,000
Out of prior authorizations.....	231,830	600,000	500,000

Miscellaneous

Allotments and Allocations Received From Other Appropriation Accounts

NOTE.—Obligations incurred under allotments and allocations from other appropriations are shown in the schedules of the parent appropriations, as follows:

"Working capital fund, Department of Agriculture."

"Mutual security, funds appropriated to the President."

LIBRARY

Salaries and Expenses, Library, Agriculture

For necessary expenses, including dues for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members, \$659,950. (5 U. S. C. 83, 511-512, 514, 516, 552a; Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

Appropriated 1955, \$659,950

Estimate 1956, \$659,950

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$673,800	\$659,950	\$659,950
Transferred from "Removal of surplus agricultural commodities," pursuant to Public Law 268.....	8,000		
Adjusted appropriation or estimate.....	681,800	659,950	659,950
Reimbursements from non-Federal sources.....	27,783	32,000	30,000
Reimbursements from other accounts.....	67,217	66,000	18,000
Total available for obligation.....	776,800	757,950	707,950
Unobligated balance, estimated savings.....	-217		
Obligations incurred.....	776,583	757,950	707,950

NOTE.—Reimbursements from non-Federal sources above are receipts from sales of copies of photographic reproductions (5 U. S. C. 552a).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. General agricultural library services.....	\$538,179	\$517,000	\$517,000
2. Specialized services to research.....	143,404	142,950	142,950
3. Obligations under reimbursements from non-Federal sources.....	27,783	32,000	30,000
Total direct obligations.....	709,366	691,950	689,950
<i>Obligations Payable Out of Reimbursements from Other Accounts</i>			
1. General agricultural library services (primarily photographic reproductions—includes Departments of Agriculture; Health, Education, and Welfare; Interior; Commerce; Defense; and State; and Foreign Operations Administration).....	67,217	66,000	18,000
Obligations incurred.....	776,583	757,950	707,950

PROGRAM AND PERFORMANCE

The Library, serving as the National Agricultural Library, procures, preserves, and makes available books, periodicals, and published materials on agriculture. It is organized into a main office in Washington and five specialized field branches for major field research installations. Various State agencies provide library services to Department employees in designated geographical areas under cooperative agreements. One general branch serves the Beltsville Research Center.

1. *General agricultural library services.*—About 45,400 volumes were added during the fiscal year 1954 to the collection of approximately 1,000,000 volumes on agriculture and related subjects. In addition, about 274,000 separate issues of periodicals are received annually. During 1954, 1,260,494 loans of books and other periodicals (including photocopies in lieu of loans) were made and 161,677 reference questions were answered. The Bibliography of Agriculture was issued monthly with a total of 95,670 items listed.

2. *Specialized services to research.*—Special bibliographies compiled for research purposes and branch services were furnished to major segments of the Department's research programs.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	158	154	143
Full-time equivalent of all other positions.....	1	1	
Average number of all employees.....	148	146	139
Number of employees at end of year.....	148	150	141
<i>Average salaries and grades:</i>			
General schedule grades:			
Average salary.....	\$4,120	\$4,133	\$4,076
Average grade.....	GS-5.2	GS-5.2	GS-5.1
<i>Personal service obligations:</i>			
Permanent positions.....	\$607,143	\$595,417	\$562,807
Positions other than permanent.....	1,123	1,200	600
Regular pay in excess of 52-week base.....	2,283	2,400	2,300
Payment above basic rates.....	371	300	300
Total personal service obligations.....	610,920	599,317	566,007
<i>Direct Obligations</i>			
01 Personal services.....	567,429	556,717	558,007
02 Travel.....	2,219	2,400	2,400
03 Transportation of things.....	498	650	600
04 Communication services.....	12,448	14,950	14,000
06 Printing and reproduction.....	5,708	7,300	7,300
Binding.....	36,044	25,525	24,943
07 Other contractual services.....	19,617	22,550	22,500
Services performed by other agencies.....	1,267	1,350	1,300
08 Supplies and materials.....	12,128	12,550	12,000
09 Equipment.....	49,947	45,958	45,000
13 Refunds, awards, and indemnities.....	80		
15 Taxes and assessments.....	1,981	2,000	1,900
Total direct obligations.....	709,366	691,950	689,950
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	43,491	42,600	8,000
03 Transportation of things.....	3	50	50
04 Communication services.....	463	700	700
06 Printing and reproduction.....	187	200	200
07 Other contractual services.....	12	50	100
Services performed by other agencies.....	651	650	600
08 Supplies and materials.....	8,430	8,600	1,300
09 Equipment.....	13,853	13,000	7,000
15 Taxes and assessments.....	127	150	50
Total obligations payable out of reimbursements from other accounts.....	67,217	66,000	18,000
Obligations incurred.....	776,583	757,950	707,950

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$58,253	\$55,098	\$52,048
Obligations incurred during the year.....	776,583	757,950	707,950
	834,836	813,048	759,998

ANALYSIS OF EXPENDITURES—continued

	1954 actual	1955 estimate	1956 estimate
Adjustment in obligations of prior years.....	—\$5,525		
Reimbursements.....	—95,000	—\$98,000	—\$48,000
Obligated balance carried to certified claims account.....	—1,481	—1,500	—1,500
Obligated balance carried forward.....	—55,098	—52,048	—50,498
Total expenditures.....	677,732	661,500	660,000
Expenditures are distributed as follows:			
Out of current authorizations.....	627,190	612,000	611,000
Out of prior authorizations.....	50,542	49,500	49,000

Miscellaneous

Allocations Received From Other Appropriation Accounts

NOTE.—Obligations incurred under allocations from other appropriations are shown in the schedules of the parent appropriations, as follows: "Mutual security, funds appropriated to the President."

MISCELLANEOUS

Agricultural Marketing Act, Agriculture

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$5,500,000		
Reimbursements from non-Federal sources.....	452		
Reimbursements from other accounts.....	62,379		
Total available for obligation.....	5,562,831		
Unobligated balance, estimated savings.....	—145,177		
Obligations incurred.....	5,417,654		
<i>Comparative transfer to—</i>			
"Salaries and expenses, Agricultural Research Service".....	—304,748		
"Payments to States, Hawaii, Alaska, and Puerto Rico, Agricultural Research Service".....	—268,000		
"Salaries and expenses, Forest Service".....	—31,972		
"Salaries and expenses, Federal Extension Service".....	—96,104		
"Payments to States, Hawaii, Alaska, and Puerto Rico, Extension Service".....	—535,000		
"Salaries and expenses, Foreign Agricultural Service".....	—122,264		
"Salaries and expenses, Office of Information, Agriculture".....	—27,859		
"Salaries and expenses, Office of the Solicitor, Agriculture".....	—4,862		
"Marketing research and service, Agricultural Marketing Service":			
Direct appropriation.....	—3,385,015		
Reimbursements from non-Federal sources.....	—452		
Reimbursements from other accounts.....	—62,379		
"Payments to States, Territories, and possessions, Agricultural Marketing Service".....	—578,999		
Total obligations.....			

NOTE.—Reimbursements from non-Federal sources are from proceeds of sales of personal property (40 U. S. C. 481 (c)).

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$1,038,029	\$1,124,106	\$503,106
Adjustment in obligations of prior years.....	36,843		
Obligations incurred during the year.....	5,417,654		
	6,492,526	1,124,106	503,106
Reimbursements.....	—62,831		
Obligated balance carried to certified claims account.....	—1,655		
Obligated balance carried forward.....	—1,124,106	—503,106	—233,106
Total expenditures.....	5,303,934	621,000	270,000
Expenditures are distributed as follows:			
Out of current authorizations.....	4,493,502		
Out of prior authorizations.....	810,432	621,000	270,000

MISCELLANEOUS—Continued*Control of Emergency Outbreaks of Insects and Plant Diseases, Bureau of Entomology and Plant Quarantine, Agricultural Research Administration***ANALYSIS OF EXPENDITURES**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$50,369	\$380	
Adjustment in obligations of prior years.....	-4,127		
Obligated balance carried to certified claims account.....	-20		
Obligated balance carried forward.....	-380		
Total expenditures (out of prior authorizations).....	45,842	380	

*Research on Agricultural Problems of Alaska, Office of Experiment Stations, Agricultural Research Administration***AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$270,000		
Reimbursements from non-Federal sources.....	604		
Total available for obligation.....	270,604		
Unobligated balance, estimated savings.....	-638		
Obligations incurred.....	269,966		
Comparative transfer to "Salaries and expenses, Agricultural Research Service".....	-269,966		
Total obligations.....			

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of personal property (40 U. S. C. 481 (c)).

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$41,305	\$34,609	\$609
Obligations incurred during the year.....	269,966		
Adjustment in obligations of prior years.....	311,271	34,609	609
Reimbursements.....	-2,382		
Obligated balance carried to certified claims account.....	-604		
Obligated balance carried forward.....	-135		
Obligated balance carried forward.....	-34,609	-609	
Total expenditures.....	273,541	34,000	609
Expenditures are distributed as follows:			
Out of current authorizations.....	234,833		
Out of prior authorizations.....	38,708	34,000	609

*Salaries and Expenses, Bureau of Agricultural and Industrial Chemistry, Agricultural Research Administration***AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$7,725,000		
Transferred to "Salaries and expenses, Office of Administrator, Agricultural Research Administration," pursuant to Public Law 156.....	-11,000		
Adjusted appropriation or estimate.....	7,714,000		
Reimbursements from non-Federal sources.....	1,425		
Reimbursements from other accounts.....	16,748		
Total available for obligation.....	7,732,173		
Unobligated balance, estimated savings.....	-222,175		
Obligations incurred.....	7,509,998		
Comparative transfer to "Salaries and expenses, Agricultural Research Service".....			
Direct appropriation.....	-7,491,825		
Reimbursements from non-Federal sources.....	-1,425		
Reimbursements from other accounts.....	-16,748		
Total obligations.....			

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of personal property (40 U. S. C. 481 (c)).

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$1,468,145	\$1,458,148	\$208,148
Obligations incurred during the year.....	7,509,998		
Adjustment in obligations of prior years.....	8,978,143	1,458,148	208,148
Reimbursements.....	-28,741		
Obligated balance carried forward.....	-18,173		
Obligated balance carried forward.....	-1,458,148	-208,148	-48,148
Total expenditures.....	7,473,081	1,250,000	160,000
Expenditures are distributed as follows:			
Out of current authorizations.....	6,411,077		
Out of prior authorizations.....	1,062,004	1,250,000	160,000

*Salaries and Expenses, Bureau of Agricultural Economics***AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$5,404,000		
Transferred, pursuant to Public Law 286, from—			
"Conservation operations, Soil Conservation Service".....	224,500		
"Salaries and expenses, Rural Electrification Administration".....	100,500		
Adjusted appropriation or estimate.....	5,729,000		
Reimbursements from non-Federal sources.....	5,238		
Reimbursements from other accounts.....	31,762		
Total available for obligation.....	5,766,000		
Unobligated balance, estimated savings.....	-204,137		
Obligations incurred.....	5,561,863		
Comparative transfer to—			
"Salaries and expenses, Agricultural Research Service":			
Direct appropriation.....	-1,191,339		
Reimbursements from non-Federal sources.....	-128		
Reimbursements from other accounts.....	-16,957		
"Marketing research and service, Agricultural Marketing Service":			
Direct appropriation.....	-4,333,524		
Reimbursements from non-Federal sources.....	-5,110		
Reimbursements from other accounts.....	-14,805		
Total obligations.....			

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of personal property (40 U. S. C. 481 (c)), and sales of charts (7 U. S. C. 1387).

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$532,106	\$606,788	\$10,000
Obligations incurred during the year.....	5,561,863		
Adjustment in obligations of prior years.....	6,093,969	606,788	10,000
Reimbursements.....	-30,123		
Obligated balance carried forward.....	-37,000		
Obligated balance carried forward.....	-606,788	-10,000	
Total expenditures.....	5,420,058	596,788	10,000
Expenditures are distributed as follows:			
Out of current authorizations.....	4,933,656		
Out of prior authorizations.....	486,402	596,788	10,000

*Salaries and Expenses, Bureau of Animal Industry, Agricultural Research Administration***AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$26,690,000		
Reimbursements from non-Federal sources.....	2,525,350		
Reimbursements from other accounts.....	809,282		
Total available for obligation.....	30,024,632		
Unobligated balance, estimated savings.....	-159,861		
Obligations incurred.....	29,864,771		

AMOUNTS AVAILABLE FOR OBLIGATION—continued

	1954 actual	1955 estimate	1956 estimate
Comparative transfer to—			
“Salaries and expenses, Agricultural Research Service”:			
Direct appropriation.....	—\$26,528,339		
Reimbursements from non-Federal sources.....	—2,525,350		
Reimbursements from other accounts.....	—809,282		
“Salaries and expenses, Federal Extension Service”.....	—1,800		
Total obligations.....			

NOTE.—Reimbursements from non-Federal sources above are from meatpacking and veterinary biological establishments, and importers for overtime work and travel performed (5 U. S. C. 576; 7 U. S. C. 394,396) and from proceeds of sales of personal property (40 U. S. C. 481 (c)).

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$2,002,720	\$2,386,350	\$236,350
Obligations incurred during the year.....	29,864,771		
Adjustment in obligations of prior years.....	31,867,491	2,386,350	236,350
Reimbursements.....	—11,836		
Obligated balance carried to certified claims account.....	—3,334,632		
Obligated balance carried forward.....	—18,819		
Obligated balance carried forward.....	—2,386,350	—236,350	
Total expenditures.....	26,115,854	2,150,000	236,350
Expenditures are distributed as follows:			
Out of current authorizations.....	24,193,991		
Out of prior authorizations.....	1,921,863	2,150,000	236,350

Salaries and Expenses, Bureau of Dairy Industry, Agricultural Research Administration

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$1,659,500		
Transferred to “Salaries and expenses, Federal Extension Service,” pursuant to Public Law 286.....	—3,200		
Adjusted appropriation or estimate.....	1,656,300		
Reimbursements from non-Federal sources.....	296		
Reimbursements from other accounts.....	47		
Total available for obligation.....	1,656,643		
Unobligated balance, estimated savings.....	—19,403		
Obligations incurred.....	1,637,240		
Comparative transfer to “Salaries and expenses, Agricultural Research Service”:			
Direct appropriation.....	—1,636,897		
Reimbursements from non-Federal sources.....	—296		
Reimbursements from other accounts.....	—47		
Total obligations.....			

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of personal property (40 U. S. C. 481 (c)).

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$170,727	\$263,948	\$13,948
Adjustment in obligations of prior years.....	1,301		
Obligations incurred during the year.....	1,637,240		
Reimbursements.....	1,809,268	263,948	13,948
Obligated balance carried to certified claims account.....	—343		
Obligated balance carried forward.....	—146		
Obligated balance carried forward.....	—263,948	—13,948	—6,688
Total expenditures.....	1,544,831	250,000	7,260
Expenditures are distributed as follows:			
Out of current authorizations.....	1,373,965		
Out of prior authorizations.....	170,866	250,000	7,260

Salaries and Expenses, Bureau of Entomology and Plant Quarantine, Agricultural Research Administration

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$12,744,830		
Reimbursements from non-Federal sources.....	130,896		
Reimbursements from other accounts.....	25,000		
Total available for obligation.....	12,900,726		
Unobligated balance, estimated savings.....	—441,253		
Obligations incurred.....	12,459,473		
Comparative transfer to—			
“Salaries and expenses, Federal Extension Service”.....	—3,785		
“Marketing research and service, Agricultural Marketing Service”.....	—158,066		
“Salaries and expenses, Forest Service”:			
Direct obligations.....	—455,863		
Reimbursements from other accounts.....	—65		
“Salaries and expenses, Agricultural Research Service”:			
Direct obligations.....	—11,685,863		
Reimbursements from non-Federal sources.....	—130,896		
Reimbursements from other accounts.....	—24,935		
Total obligations.....			

NOTE.—Reimbursements from non-Federal sources above are from payments by non-Federal agencies for services of plant quarantine inspectors performed outside regular hours of duty (5 U. S. C. 576); and from proceeds of sales of personal property (40 U. S. C. 481 (c)).

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$1,286,347	\$1,341,471	\$141,471
Obligations incurred during the year.....	12,459,473		
Adjustment in obligations of prior years.....	13,745,820	1,341,471	141,471
Reimbursements.....	—94,127		
Obligated balance carried to certified claims account.....	—155,896		
Obligated balance carried forward.....	—21,704		
Obligated balance carried forward.....	—1,341,471	—141,471	
Total expenditures.....	12,132,622	1,200,000	141,471
Expenditures are distributed as follows:			
Out of current authorizations.....	11,011,772		
Out of prior authorizations.....	1,120,850	1,200,000	141,471

Salaries and Expenses, Bureau of Human Nutrition and Home Economics, Agricultural Research Administration

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$1,404,500		
Reimbursements from non-Federal sources.....	2,528		
Reimbursements from other accounts.....	4,543		
Total available for obligation.....	1,411,571		
Unobligated balance, estimated savings.....	—12,971		
Obligations incurred.....	1,398,600		
Comparative transfer to “Salaries and expenses, Agricultural Research Service”:			
Direct appropriation.....	—1,391,529		
Reimbursements from non-Federal sources.....	—2,528		
Reimbursements from other accounts.....	—4,543		
Total obligations.....			

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of charts (7 U. S. C. 1387) and of personal property (40 U. S. C. 481 (c)) and from refund of terminal leave payments (5 U. S. C. 61 (h)).

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$287,812	\$336,235	\$91,235
Obligations incurred during the year.....	1,398,600		
Adjustment in obligations of prior years.....	1,686,412	336,235	91,235

MISCELLANEOUS—Continued*Salaries and Expenses, Bureau of Human Nutrition and Home Economics, Agricultural Research Administration—Continued***ANALYSIS OF EXPENDITURES—continued**

	1954 actual	1955 estimate	1956 estimate
Adjustment in obligations of prior years..	-\$15,252		
Reimbursements.....	-7,071		
Obligated balance carried forward.....	-336,235	-\$91,235	-\$51,235
Total expenditures.....	1,327,854	245,000	40,000
Expenditures are distributed as follows:			
Out of current authorizations.....	1,160,401		
Out of prior authorizations.....	167,453	245,000	40,000

*Salaries and Expenses, Bureau of Plant Industry, Soils, and Agricultural Engineering, Agricultural Research Administration***AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$12,248,000		
Reimbursements from non-Federal sources.....	15,492		
Reimbursements from other accounts.....	153,146		
Total available for obligation.....	12,416,638		
Unobligated balance, estimated savings.....	-63,221		
Obligations incurred.....	12,353,417		
Comparative transfer to—			
“Salaries and expenses, Federal Extension Service”.....	-25,000		
“Marketing research and service, Agricultural Marketing Service”:			
Direct appropriation.....	-454,829		
Reimbursements from non-Federal sources.....	-15		
Reimbursements from other accounts.....	-2,000		
“Salaries and expenses, Forest Service”:			
Direct appropriation.....	-441,193		
Reimbursements from other accounts.....	-11,464		
“Salaries and expenses, Agricultural Research Service”:			
Direct appropriation.....	-11,263,757		
Reimbursements from non-Federal sources.....	-15,477		
Reimbursements from other accounts.....	-139,682		
Total obligations.....			

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of personal property (40 U. S. C. 481 (c)).

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$1,787,021	\$1,886,843	\$186,843
Obligations incurred during the year.....	12,353,417		
Adjustment in obligations of prior years.....	14,140,438	1,886,843	186,843
Reimbursements.....	-44,740		
Obligated balance carried to certified claims account.....	-168,638		
Obligated balance carried forward.....	-149,735		
Obligated balance carried forward.....	-1,886,843	-186,843	
Total expenditures.....	11,890,482	1,700,000	186,843
Expenditures are distributed as follows:			
Out of current authorizations.....	10,425,847		
Out of prior authorizations.....	1,464,635	1,700,000	186,843

*Salaries and Expenses, Office of Administrator, Agricultural Research Administration***AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$341,677		
Transferred from “Salaries and expenses, Bureau of Agricultural and Industrial Chemistry, Agricultural Research Administration,” pursuant to Public Law 156.....	11,000		
Adjusted appropriation or estimate.....	352,677		
Unobligated balance, estimated savings.....	-1,858		
Obligations incurred.....	350,819		

AMOUNTS AVAILABLE FOR OBLIGATION—continued

	1954 actual	1955 estimate	1956 estimate
Comparative transfer to “Salaries and expenses, Agricultural Research Service”.....	-\$350,819		
Total obligations.....			

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$103,421	\$28,007	\$2,007
Obligations incurred during the year.....	350,819		
Adjustment in obligations of prior years.....	454,240	28,007	2,007
Obligated balance carried to certified claims account.....	-3,636		
Obligated balance carried forward.....	-53		
Obligated balance carried forward.....	-28,007	-2,007	
Total expenditures.....	422,544	26,000	2,007
Expenditures are distributed as follows:			
Out of current authorizations.....	324,492		
Out of prior authorizations.....	98,052	26,000	2,007

*Salaries and Expenses, Office of Experiment Stations, Agricultural Research Administration***AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$380,000		
Transferred to—			
“Salaries and expenses, Extension Service,” pursuant to Public Law 286.....	-10,250		
“Virgin Islands agricultural program, Office of Experiment Stations, Agricultural Research Administration,” pursuant to 5 U. S. C. 572.....	-1,800		
Adjusted appropriation or estimate.....	367,950		
Reimbursements from other accounts.....	9,800		
Total available for obligation.....	377,750		
Unobligated balance, estimated savings.....	-12,540		
Obligations incurred.....	365,210		
Comparative transfer to “Salaries and expenses, Agricultural Research Service”:			
Direct appropriation.....	-355,410		
Reimbursements from other accounts.....	-9,800		
Total obligations.....			

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance carried forward.....	\$36,296	\$41,765	\$1,765
Obligations incurred during the year.....	365,210		
Adjustment in obligations of prior years.....	401,506	41,765	1,765
Reimbursements.....	-1,224		
Obligated balance carried to certified claims account.....	-9,800		
Obligated balance carried forward.....	-64		
Obligated balance carried forward.....	-41,765	-1,765	
Total expenditures.....	348,653	40,000	1,765
Expenditures are distributed as follows:			
Out of current authorizations.....	316,034		
Out of prior authorizations.....	32,619	40,000	1,765

*Virgin Islands Agricultural Program, Office of Experiment Stations, Agricultural Research Administration***AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$100,000		
Transferred from “Salaries and expenses, Office of Experiment Stations, Agricultural Research Administration,” pursuant to 5 U. S. C. 572.....	1,800		

AMOUNTS AVAILABLE FOR OBLIGATION—continued

	1954 actual	1955 estimate	1956 estimate
Transferred to "Salaries and expenses, Extension Service," pursuant to Public Law 286.....	-\$4,820		
Adjusted appropriation or estimate.....	96,980		
Reimbursements from other accounts.....	3,710		
Total available for obligation.....	100,690		
Unobligated balance, estimated savings.....	-1,125		
Obligations incurred.....	99,565		
Comparative transfer to "Salaries and expenses, Agricultural Research Service":.....			
Direct appropriation.....	-95,855		
Reimbursements from other accounts.....	-3,710		
Total obligations.....			

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$13,974	\$14,927	\$927
Obligations incurred during the year.....	99,565		
Adjustment in obligations of prior years.....	113,539	14,927	927
Reimbursements.....	-2,771		
Obligated balance carried forward.....	-3,710		
Total expenditures.....	-14,927	-927	
Total expenditures.....	92,131	14,000	927
Expenditures are distributed as follows:			
Out of current authorizations.....	81,335		
Out of prior authorizations.....	10,796	14,000	927

PERMANENT AUTHORIZATIONS

(Indefinite appropriation, special account, unless otherwise indicated)

EXTENSION SERVICE

Cooperative Agricultural Extension Work, Extension Service
(Indefinite appropriation, general account):

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate (obligations incurred).....	\$4,711,200		
Comparative transfer to "Payments to States, Hawaii, Alaska, and Puerto Rico, Extension Service".....	-4,711,200		
Total obligations.....			

ANALYSIS OF EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$371		
Obligations incurred during the year.....	4,711,200		
Adjustment in obligations of prior years.....	4,711,571		
Total expenditures.....	-1,998		
Total expenditures.....	4,709,573		
Expenditures are distributed as follows:			
Out of current authorizations.....	4,711,200		
Out of prior authorizations.....	-1,627		

FOREST SERVICE

Acquisition of Lands and Construction of Improvements, Coronado National Forest, Department of Agriculture

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Unobligated balance brought forward.....	\$16,173		
Unobligated balance transferred to "Salaries and expenses, Forest Service," pursuant to Public Law 286.....	-16,173		
Obligations incurred.....			

Expenses, Brush Disposal, Forest Service

Appropriated (est.) 1955, \$3,000,000 Estimate 1956, \$3,300,000

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$2,923,760	\$3,000,000	\$3,300,000
Unobligated balance brought forward.....	2,273,557	2,652,056	2,367,301
Reimbursements from non-Federal sources.....	37	1,000	1,000
Reimbursements from other accounts.....	577	7,000	7,000
Total available for obligation.....	5,197,931	5,660,056	5,675,301
Unobligated balance carried forward.....	-2,652,056	-2,367,301	-2,375,301
Obligations incurred.....	2,545,875	3,292,755	3,300,000

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of personal property (40 U. S. C. 481 (c)).

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OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Brush disposal.....	\$2,545,261	\$3,284,755	\$3,292,000
2. Obligations under reimbursements from non-Federal sources.....	37	1,000	1,000
Total direct obligations.....	2,545,298	3,285,755	3,293,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. Brush disposal.....	577	7,000	7,000
Obligations incurred.....	2,545,875	3,292,755	3,300,000

PROGRAM AND PERFORMANCE

Payments made for this purpose by purchasers of national-forest timber are used to dispose of slash and other debris that result from cutting operations (16 U. S. C. 490).

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	63	54	54
Full-time equivalent of all other positions.....	399	505	507
Average number of all employees.....	640	646	648
Number of employees at end of year.....	1,030	1,241	1,245
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$3,862	\$3,811	\$3,828
Average grade.....	GS-4.5	GS-4.5	GS-4.5
Ungraded positions: Average salary.....	\$3,626	\$3,385	\$3,385
Personal service obligations:			
Permanent positions.....	\$542,262	\$550,851	\$550,851
Positions other than permanent.....	1,324,513	1,716,973	1,724,218
Regular pay in excess of 52-week base.....	2,021	2,015	2,015
Payment above basic rates.....	64,494	55,390	55,930
Other payments for personal services.....	3,148	2,450	2,450
Total personal service obligations.....	1,937,038	2,327,679	2,335,464
<i>Direct Obligations</i>			
01 Personal services.....	1,936,521	2,321,379	2,329,164
02 Travel.....	6,301	10,000	10,000
03 Transportation of things.....	15,262	20,000	20,000
04 Communication services.....	7,944	10,000	10,000
05 Rents and utility services.....	12,311	15,000	15,000
06 Printing and reproduction.....	5,550	1,000	1,000
07 Other contractual services.....	116,327	187,758	187,799
08 Supplies and materials.....	333,487	545,800	545,137
09 Equipment.....	99,932	164,714	164,700
13 Refunds, awards, and indemnities.....	455	1,000	1,000
15 Taxes and assessments.....	24,941	27,104	27,200
Subtotal.....	2,559,031	3,303,755	3,311,000
Deduct charges for quarters and subsistence.....	13,733	18,000	18,000
Total direct obligations.....	2,545,298	3,285,755	3,293,000

FOREST SERVICE—Continued*Expenses, Brush Disposal, Forest Service—Continued***OBLIGATIONS BY OBJECTS—continued**

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	\$517	\$6,300	\$6,300
08 Supplies and materials.....	60	700	700
Total obligations payable out of reimbursements from other accounts.....	577	7,000	7,000
Obligations incurred.....	2,545,875	3,292,755	3,300,000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$268,743	\$294,972	\$379,727
Obligations incurred during the year.....	2,545,875	3,292,755	3,300,000
Reimbursements.....	2,814,618	3,587,727	3,679,727
Obligated balance carried forward.....	-614	-8,000	-8,000
	-294,972	-379,727	-471,727
Total expenditures.....	2,519,032	3,200,000	3,200,000
Expenditures are distributed as follows:			
Out of current authorizations.....	2,519,032	300,000	300,000
Out of prior authorizations.....		2,900,000	2,900,000

*Forest Fire Prevention, Forest Service*Appropriated (estimate) 1955, **\$50,000** Estimate 1956, **\$50,000****AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$53,250	\$50,000	\$50,000
Unobligated balance brought forward.....	8,784	18,379	
Total available for obligation.....	62,034	68,379	50,000
Unobligated balance carried forward.....	-18,379		
Obligations incurred.....	43,655	68,379	50,000

OBLIGATIONS BY ACTIVITIES

Forest fire prevention—1954, \$43,655; 1955, \$68,379; 1956, \$50,000.

PROGRAM AND PERFORMANCE

Fees for the use of the character "Smokey Bear" by private enterprises are collected under regulations promulgated by the Secretary of Agriculture and used for furthering the nationwide forest-fire prevention campaign (66 Stat. 92).

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
Total number of permanent positions.....	1	2	2
Full-time equivalent of all other positions.....	1	2	2
Average number of all employees.....	2	4	4
Number of employees at end of year.....	1	3	3
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$3,415	\$3,495	\$3,535
Average grade.....	GS-4.0	GS-4.0	GS-4.0
01 Personal services:			
Permanent positions.....	\$3,233	\$5,795	\$5,795
Positions other than permanent.....	3,714	6,114	6,114
Regular pay in excess of 52-week base.....	13	27	27
Payment above basic rates.....	348		
Total personal services.....	7,308	11,936	11,936
03 Transportation of things.....	57	100	100
04 Communication services.....	2,532	4,000	2,600
06 Printing and reproduction.....	12,304	19,300	12,900
07 Other contractual services.....	5,096	8,025	5,329
Services performed by other agencies.....	2,487	3,750	2,600
08 Supplies and materials.....	13,768	21,158	14,435
15 Taxes and assessments.....	103	110	100
Obligations incurred.....	43,655	68,379	50,000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....		\$14,172	\$22,551
Obligations incurred during the year.....	\$43,655	68,379	50,000
Obligated balance carried forward.....	43,655	82,551	72,551
Total expenditures.....	29,483	60,000	60,000
Expenditures are distributed as follows:			
Out of current authorizations.....	29,483	28,000	38,000
Out of prior authorizations.....		32,000	22,000

*Payment to Minnesota (Cook, Lake, and St. Louis Counties) From the National Forests Fund*Appropriated (estimate) 1955, **\$45,300** Estimate 1956, **\$45,300****AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

Appropriation or estimate (obligations incurred)—1954, \$45,332; 1955, \$45,300; 1956, \$45,300.

OBLIGATIONS BY ACTIVITIES

Payment to counties—1954, \$45,332; 1955, \$45,300; 1956, \$45,300.

PROGRAM AND PERFORMANCE

At the close of each fiscal year the State of Minnesota is paid three-fourths of 1 percent of the appraised value in lieu of taxes on certain Superior National Forest lands in the counties of Cook, Lake, and St. Louis for distribution to these counties (16 U. S. C. 577g).

OBLIGATIONS BY OBJECTS

11 Grants, subsidies, and contributions—1954, \$45,332; 1955, \$45,300; 1956, \$45,300.

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

Obligations incurred during the year (total expenditures out of current authorizations)—1954, \$45,332; 1955, \$45,300; 1956, \$45,300.

*Payments Due Counties, Submarginal Land Program, Farm Tenant Act*Appropriated (estimate) 1955, **\$375,000** Estimate 1956, **\$375,000****AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

Appropriation or estimate (obligations incurred)—1954, \$461,034; 1955, \$375,000; 1956, \$375,000.

OBLIGATIONS BY ACTIVITIES

Payments due counties—1954, \$461,034; 1955, \$375,000; 1956, \$375,000.

PROGRAM AND PERFORMANCE

Of the revenues received from the use of submarginal lands (7 U. S. C. 1021), 25 percent is paid to the counties in which such land is situated, for school and road purposes.

OBLIGATIONS BY OBJECTS

11 Grants, subsidies, and contributions—1954, \$461,034; 1955, \$375,000; 1956, \$375,000.

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

Obligations incurred during the year (total expenditures out of current authorizations)—1954, \$461,034; 1955, \$375,000; 1956, \$375,000.

Payments to School Funds, Arizona and New Mexico, Act of June 20, 1910 (Receipt Limitation)

(Indefinite appropriation, general account)

Appropriated (estimate) 1955, **\$102,579** Estimate 1956, **\$102,000****AMOUNTS AVAILABLE FOR OBLIGATION**

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

Appropriation or estimate (obligations incurred)—1954, \$122,755; 1955, \$102,579; 1956, \$102,000.

OBLIGATIONS BY ACTIVITIES

Payments to school funds—1954, \$122,755; 1955, \$102,579; 1956, \$102,000.

PROGRAM AND PERFORMANCE

The States of Arizona and New Mexico are paid a share of the national-forest receipts for school purposes (36 Stat. 562, 573).

OBLIGATIONS BY OBJECTS

11 Grants, subsidies, and contributions—1954, \$122,755; 1955, \$102,579; 1956, \$102,000.

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

Obligations incurred during the year (total expenditures out of current authorizations)—1954, \$122,755; 1955, \$102,579; 1956, \$102,000.

Payments to States and Territories from the National Forests Fund
 Appropriated (est.) 1955, **\$16,393,583** Estimate 1956, **\$15,500,000**

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$18,681,347	\$16,393,583	\$15,500,000
Unobligated balance brought forward.....		31,553	
Total available for obligation.....	18,681,347	16,425,136	15,500,000
Unobligated balance carried forward.....	-31,553		
Obligations incurred.....	18,649,794	16,425,136	15,500,000

OBLIGATIONS BY ACTIVITIES

Payments to States and Territories—1954, \$18,649,794; 1955, \$16,425,136; 1956, \$15,500,000.

PROGRAM AND PERFORMANCE

With minor exceptions, 25 percent of the money received from the national forests is paid to the States and Territories for public schools and roads of the county in which such national forests are situated (16 U. S. C. 500).

OBLIGATIONS BY OBJECTS

11 Grants, subsidies, and contributions—1954, \$18,649,794; 1955, \$16,425,136; 1956, \$15,500,000.

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$449	\$449	
Obligations incurred during the year.....	18,649,794	16,425,136	\$15,500,000
Obligated balance carried forward.....	18,650,243	16,425,585	15,500,000
Total expenditures.....	18,649,794	16,425,585	15,500,000
Expenditures are distributed as follows:			
Out of current authorizations.....	18,649,794	{ 16,393,583	15,500,000
Out of prior authorizations.....			
		32,002	

Roads and Trails for States, National Forests Fund
 Appropriated (est.) 1955, **\$6,559,408** Estimate, 1956, **\$6,200 000**

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$7,473,593	\$6,559,408	\$6,200,000
Unobligated balance brought forward.....	1,333,447	374,869	
Reimbursements from non-Federal sources.....	6,916	10,000	10,000
Reimbursements from other accounts.....	19,921	90,000	90,000
Total available for obligation.....	8,833,877	7,034,277	6,300,000
Unobligated balance carried forward.....	-374,869		
Obligations incurred.....	8,459,008	7,034,277	6,300,000

NOTE.—Reimbursements from non-Federal sources above are from rental of equipment and sale of equipment, supplies, and materials to non-Federal agencies which cooperate with the Forest Service in fire control under terms of written cooperative agreements (16 U. S. C. 580, 580a); and from proceeds of sale of personal property (40 U. S. C. 481 (c)).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Construction.....	\$6,664,312	\$5,193,221	\$4,500,000
2. Maintenance.....	1,767,859	1,741,056	1,700,000
3. Obligations under reimbursements from non-Federal sources.....	6,916	10,000	10,000
Total direct obligations.....	8,439,087	6,944,277	6,210,000

OBLIGATIONS BY ACTIVITIES—continued

Description	1954 actual	1955 estimate	1956 estimate
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. Construction.....	\$5,476	\$72,500	\$72,500
4. Maintenance, operations, and repair of equipment.....	2,189	5,000	5,000
5. Supplies, materials, and equipment for sale.....	12,256	12,500	12,500
Total obligations payable out of reimbursements from other accounts.....	19,921	90,000	90,000
Obligations incurred.....	8,459,008	7,034,277	6,300,000

PROGRAM AND PERFORMANCE

Ten percent of the amounts received from national-forest activities is available for the construction and maintenance of roads and trails within the individual forest from which such proceeds are derived (16 U. S. C. 501).

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
FOREST SERVICE			
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	396	426	426
Full-time equivalent of all other positions.....	495	332	371
Average number of all employees.....	921	796	836
Number of employees at end of year.....	1,473	1,291	1,350
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,259	\$4,328	\$4,328
Average grade.....	GS-6.2	GS-6.4	GS-6.4
Ungraded positions: Average salary.....	\$3,315	\$3,358	\$3,358
Personal service obligations:			
Permanent positions.....	\$1,642,343	\$1,839,445	\$1,839,445
Positions other than permanent.....	1,310,016	878,408	1,001,800
Regular pay in excess of 52-week base.....	6,316	7,075	7,075
Payment above basic rates.....	11,954	10,685	14,600
Total personal service obligations.....	2,970,629	2,735,613	2,862,920
<i>Direct Obligations</i>			
01 Personal services.....	2,961,006	2,690,513	2,817,820
02 Travel.....	81,769	71,600	72,000
03 Transportation of things.....	32,365	28,400	29,000
04 Communication services.....	12,570	10,800	11,000
05 Rents and utility services.....	40,889	35,800	36,000
06 Printing and reproduction.....	997	1,000	1,000
07 Other contractual services.....	237,223	210,690	200,000
Services performed by other agencies.....	12,655	10,800	11,000
08 Supplies and materials.....	2,078,984	1,811,963	1,666,980
09 Equipment.....	123,229	107,900	108,000
10 Lands and structures.....	297,665	420,000	250,000
15 Taxes and assessments.....	27,592	24,000	25,000
Subtotal.....	5,906,944	5,423,466	5,227,800
Deduct charges for quarters and subsistence.....	15,857	17,268	17,800
Total direct obligations.....	5,891,087	5,406,198	5,210,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	9,623	45,100	45,100
02 Travel.....	647	3,000	3,000
03 Transportation of things.....	370	1,500	1,500
04 Communication services.....	1	100	100
05 Rents and utility services.....	1,029	4,000	4,000
06 Printing and reproduction.....	200	500	500
07 Other contractual services.....	439	4,000	4,000
Services performed by other agencies.....	260	1,000	1,000
08 Supplies and materials.....	6,256	29,100	29,100
09 Equipment.....	397	1,500	1,500
15 Taxes and assessments.....	36	200	200
Total obligations payable out of reimbursements from other accounts.....	19,258	90,000	90,000
Obligations incurred.....	5,910,345	5,496,198	5,300,000

ALLOCATION TO BUREAU OF PUBLIC ROADS,
DEPARTMENT OF COMMERCE

Total number of permanent positions.....	60	40	28
Full-time equivalent of all other positions.....	29	18	12
Average number of all employees.....	87	54	36
Number of employees at end of year.....	44	40	34
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,078	\$4,132	\$4,056
Average grade.....	GS-6.3	GS-6.2	GS-5.6

FOREST SERVICE—Continued*Roads and Trails for States, National Forests Fund—Continued*

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
01 Personal services:			
Permanent positions.....	\$235,911	\$148,000	\$99,000
Positions other than permanent.....	89,175	56,000	38,000
Regular pay in excess of 52-week base.....	910	560	380
Payment above basic rates.....	11,750	5,440	2,620
Total personal services.....	337,746	210,000	140,000
02 Travel.....	30,697	20,000	15,000
03 Transportation of things.....	490	1,000	1,000
04 Communication services.....	166	100	100
05 Rents and utility services.....	2,445	2,000	2,000
06 Printing and reproduction.....	1,318	1,000	1,000
07 Other contractual services.....	149,565	70,000	45,000
08 Supplies and materials.....	39,840	40,000	25,000
10 Lands and structures.....	1,985,200	1,192,979	769,900
15 Taxes and assessments.....	1,719	1,000	1,000
Subtotal.....	2,549,186	1,538,079	1,000,000
Deduct charges for quarters and subsistence.....	1,186		
Total direct obligations.....	2,548,000	1,538,079	1,000,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
08 Supplies and materials.....	663		
Obligations incurred.....	2,548,663	1,538,079	1,000,000
SUMMARY			
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	456	466	454
Full-time equivalent of all other positions.....	524	350	383
Average number of all employees.....	1,008	850	872
Number of employees at end of year.....	1,517	1,331	1,384
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,218	\$4,301	\$4,301
Average grade.....	GS-6.2	GS-6.4	GS-6.4
Ungraded positions: Average salary.....	\$3,315	\$3,358	\$3,358
Personal service obligations:			
Permanent positions.....	\$1,878,254	\$1,987,445	\$1,938,445
Positions other than permanent.....	1,399,191	934,408	1,039,800
Regular pay in excess of 52-week base.....	7,226	7,635	7,455
Payment above basic rates.....	23,704	16,125	17,220
Total personal service obligations.....	3,308,375	2,945,613	3,002,920
<i>Direct Obligations</i>			
01 Personal services.....	3,298,752	2,900,513	2,957,820
02 Travel.....	112,466	91,600	87,000
03 Transportation of things.....	32,855	29,400	30,000
04 Communication services.....	12,736	10,900	11,100
05 Rents and utility services.....	43,334	37,800	38,000
06 Printing and reproduction.....	2,315	2,000	2,000
07 Other contractual services.....	386,788	280,690	245,000
Services performed by other agencies.....	12,655	10,800	11,000
08 Supplies and materials.....	2,118,824	1,851,963	1,691,980
09 Equipment.....	123,229	107,900	108,000
10 Lands and structures.....	2,282,865	1,612,979	1,019,900
15 Taxes and assessments.....	29,311	25,000	26,000
Subtotal.....	8,456,130	6,961,545	6,227,800
Deduct charges for quarters and subsistence.....	17,043	17,268	17,800
Total direct obligations.....	8,439,087	6,944,277	6,210,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	9,623	45,100	45,100
02 Travel.....	647	3,000	3,000
03 Transportation of things.....	370	1,500	1,500
04 Communication services.....	1	100	100
05 Rents and utility services.....	1,029	4,000	4,000
06 Printing and reproduction.....	200	500	500
07 Other contractual services.....	439	4,000	4,000
Services performed by other agencies.....	260	1,000	1,000
08 Supplies and materials.....	6,919	29,100	29,100
09 Equipment.....	397	1,500	1,500
15 Taxes and assessments.....	36	200	200
Total obligations payable out of reimbursements from other accounts.....	19,921	90,000	90,000
Obligations incurred.....	8,459,008	7,034,277	6,300,000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$4,732,342	\$3,377,749	\$3,012,026
Obligations incurred during the year.....	8,459,008	7,034,277	6,300,000
Reimbursements.....	13,191,350	10,412,026	9,312,026
Obligated balance carried forward.....	-26,837	-100,000	-100,000
Total expenditures.....	-3,377,749	-3,012,026	-2,812,026
Expenditures are distributed as follows:			
Out of current authorizations.....	9,786,764	7,300,000	6,400,000
Out of prior authorizations.....		4,300,000	3,700,000
Total.....	9,786,764	11,600,000	10,100,000

AGRICULTURAL MARKETING SERVICE*Perishable Agricultural Commodities Act Fund, Department of Agriculture*

Appropriated (estimate) 1955, \$390,000 Estimate 1956, \$390,000

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances on June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$428,157	\$390,000	\$390,000
Unobligated balance brought forward.....	291,026	335,013	315,013
Total available for obligation.....	719,183	725,013	705,013
Unobligated balance carried forward.....	-335,013	-315,013	-295,013
Obligations incurred.....	384,170	410,000	410,000

OBLIGATIONS BY ACTIVITIES

Licensing dealers and handling complaints—1954, \$384,170; 1955, \$410,000; 1956, \$410,000.

PROGRAM AND PERFORMANCE

License fees are deposited in this special fund to administer the Perishable Agricultural Commodities, Produce Agency, and Export Apple and Pear Acts (7 U. S. C. 499a–499s, 491–497, 581–589).

These acts assure equitable treatment to farmers and others in the marketing of fresh and frozen fruits and vegetables. Commission merchants, dealers, and brokers handling these products in interstate and foreign commerce are licensed. Complaints of violations are investigated and violations dealt with by (1) informal settlements agreeable to both parties, (2) formal decisions involving payments of reparation awards between parties, and (3) suspension or revocation of license, and/or publication of the facts. About 26,400 licenses are now in effect, and complaints average about 45 per week.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
Total number of permanent positions.....	71	78	78
Average number of all employees.....	69	74	74
Number of employees at end of year.....	66	69	69
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,675	\$4,686	\$4,711
Average grade.....	GS-6.2	GS-6.2	GS-6.2
01 Personal services:			
Permanent positions.....	\$332,631	\$354,349	\$356,300
Regular pay in excess of 52-week base.....	1,274	1,337	1,330
Payment above basic rates.....	28	14	20
Total personal services.....	333,933	355,700	357,650
02 Travel.....	16,062	12,255	12,100
03 Transportation of things.....	795	400	400
04 Communication services.....	10,920	12,100	12,000
05 Rents and utility services.....	2,621	2,600	2,425
06 Printing and reproduction.....	1,832	12,300	12,200

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
07 Other contractual services.....	\$3,236	\$5,175	\$5,400
Services performed by other agencies.....		75	75
08 Supplies and materials.....	6,060	2,545	2,000
09 Equipment.....	4,154	3,530	3,000
13 Refunds, awards, and indemnities.....	3,965	2,750	2,250
15 Taxes and assessments.....	592	600	500
Obligations incurred.....	384,170	410,000	410,000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$14,451	\$31,214	\$36,214
Obligations incurred during the year.....	384,170	410,000	410,000
Obligated balance carried forward.....	398,621	441,214	446,214
Total expenditures.....	367,407	405,000	406,500
Expenditures are distributed as follows:			
Out of current authorizations.....	367,407	39,000	56,500
Out of prior authorizations.....		366,000	350,000

Removal of Surplus Agricultural Commodities

(Indefinite appropriation, general account)

Appropriated (est.) 1955, \$180,091,952

Estimate 1956, \$168,000,000

Appropriated (adjusted) 1955, \$175,884,126

Estimate (adjusted) 1956, \$165,000,000

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$172,417,343	\$180,091,952	\$168,000,000
Transferred, pursuant to Public Law 286, to—			
“Salaries and expenses, Library, Agriculture”.....	—8,000		
“Salaries and expenses, Office of Information, Agriculture”.....	—3,500		
“Salaries and expenses, Extension Service”.....	—812,357		
“Salaries and expenses, marketing services, Production and Marketing Administration”.....	—830,000		
Transferred to “Promote and develop fishery products and research pertaining to American fisheries, Fish and Wildlife Service,” Department of the Interior, pursuant to Public Law 466.....		—4,207,826	—3,000,000
Adjusted appropriation or estimate.....	170,763,486	175,884,126	165,000,000
Unobligated balance brought forward.....	327,440,518	268,768,343	360,550,551
Recovery of prior year obligations.....	3,594,579		
Reimbursements from non-Federal sources.....	1,850		
Reimbursements from other accounts.....	46,634	2,011	
Total available for obligation.....	501,847,067	444,654,480	525,550,551
Unobligated balance carried forward.....	—268,768,343	—360,550,551	—270,324,375
Carried to surplus.....	—27,497,383		—60,550,551
Obligations incurred.....	205,581,341	84,103,929	194,675,625

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of personal property (40 U. S. C. 481 (c)).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Direct purchases.....	\$187,870,897	\$67,940,729	\$172,300,000
2. Encouragement of exportation.....	12,982,327	9,408,064	13,050,000
3. Diversion to byproducts and new uses.....	959,408	1,902,500	3,975,000
4. Surplus removal operating expenses.....	1,895,562	2,200,000	2,600,000
5. Marketing agreements and orders.....	1,111,626	1,354,000	1,354,000
6. Foreign market promotion.....	524,781	1,100,000	1,200,000
7. Import controls.....	188,256	196,625	
8. Obligations under reimbursements from non-Federal sources.....	1,850		
Total direct obligations.....	205,534,707	84,101,918	194,675,625
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
4. Surplus removal operating expenses.....	46,634		
5. Marketing agreements and orders.....		2,011	
Obligations incurred.....	205,581,341	84,103,929	194,675,625

PROGRAM AND PERFORMANCE

Under section 32 of the act of August 24, 1935, as amended (7 U. S. C. 612c), an amount equal to 30 percent of customs receipts during each calendar year and unused balances up to \$300,000,000 are available for the removal from the market of agricultural surpluses and for administration of marketing agreements and orders. These funds must be used principally for perishable agricultural commodities other than those receiving price support under title II of the Agricultural Act of 1949, as amended. These commodities are: Wool, including mohair, tung nuts, honey, milk, butterfat, and the products of milk and butterfat. During the fiscal year 1954, 52 percent of the funds used were for perishable commodities and it is estimated that approximately 51 percent of the fund requirements in 1955 will be used for perishable commodities.

1. *Direct purchases.*—Surplus agricultural commodities, generally perishables, are purchased and distributed to the school-lunch program, charitable institutions serving needy persons and persons certified by welfare agencies as eligible for relief.

2. *Encouragement of exportation.*—Differential payments are made to enable exporters to purchase surplus commodities on the domestic market and sell them on the world market at competitive world prices.

3. *Diversion to byproducts and new uses.*—Differential payments are made to enable processors to purchase surplus commodities on the domestic market, divert them to byproducts and new uses, and sell them at prices comparable to competing products, thus creating new markets for surplus commodities.

4. *Surplus removal operating expenses.*—These expenses are mainly in connection with purchasing, distributing, exporting, and diverting surplus commodities. In addition, supervisory assistance is furnished local and State groups on the preservation of surpluses for year-round use, and in cooperation with the food trade, press, and radio, greater consumption of abundant foods is encouraged.

5. *Marketing agreements and orders.*—The Secretary makes voluntary arrangements with handlers of farm products upon request of the industry after hearings, investigations, and referenda among producers, to strengthen prices by establishing and maintaining orderly marketing conditions. Orders are in effect for milk, tobacco, tree fruits, tree nuts, and vegetables. Administration at the local level is financed by assessments upon handlers.

6. *Foreign market promotion.*—Maintenance and expansion of foreign markets for United States surplus agricultural products are promoted by: (a) Obtaining and analyzing firsthand information on foreign market requirements and making such information available to the farm and trade groups; (b) developing market programs to maintain and expand the market abroad of United States farm products; for use by producers, exporters, and Government officials; and (c) assisting domestic trade representatives in negotiations with foreign government officials, importers, and consumers, and bringing together American exporters and foreign importers under conditions favorable to trade.

7. *Import controls.*—Importation of articles which render ineffective, or tend to interfere with, programs carried out by the Department of Agriculture, is investigated and a recommendation for action is submitted to the President. Import controls are administered, including the issuance of import licenses.

AGRICULTURAL MARKETING SERVICE—Continued

Removal of Surplus Agricultural Commodities—Continued
(Indefinite appropriation, general account)—Continued

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
AGRICULTURAL MARKETING SERVICE			
<i>Summary of Personal Services</i>			
Total number of permanent positions.....	340	430	430
Full-time equivalent of all other positions.....	1	1	1
Average number of all employees.....	324	408	421
Number of employees at end of year.....	322	425	425
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,637	\$5,612	\$5,635
Average grade.....	GS-8.0	GS-8.0	GS-8.0
Personal service obligations:			
Permanent positions.....	\$1,872,076	\$2,349,888	\$2,414,950
Positions other than permanent.....	2,372	2,994	3,500
Regular pay in excess of 52-week base.....	7,035	9,102	11,500
Payment above basic rates.....	375	3,677	3,700
Total personal service obligations.....	1,881,858	2,365,661	2,433,650
<i>Direct Obligations</i>			
01 Personal services.....	1,838,495	2,363,650	2,433,650
02 Travel.....	129,560	200,000	185,000
03 Transportation of things.....	3,274	8,500	8,500
04 Communication services.....	72,003	94,000	74,000
05 Rents and utility services.....	20,507	32,100	27,100
06 Printing and reproduction.....	33,881	60,000	40,000
07 Other contractual services.....	32,460	48,350	43,350
08 Supplies and materials.....	18,592	30,000	25,000
09 Equipment.....	6,833	14,000	14,000
13 Refunds, awards, and indemnities.....	165	600	600
15 Taxes and assessments.....	2,053	2,800	2,800
Total direct obligations.....	2,157,823	2,854,000	2,854,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	43,363	2,011	
02 Travel.....	1,507		
03 Transportation of things.....	4		
04 Communication services.....	910		
07 Other contractual services.....	22		
08 Supplies and materials.....	716		
15 Taxes and assessments.....	36		
Total obligations payable out of reimbursements from other accounts.....	46,558	2,011	
Obligations incurred.....	2,204,381	2,856,011	2,854,000
ALLOCATION TO COMMODITY STABILIZATION SERVICE			
Total number of permanent positions.....	118	137	219
Average number of all employees.....	107	123	199
Number of employees at end of year.....	103	117	184
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,053	\$4,138	\$4,191
Average grade.....	GS-4.9	GS-5.1	GS-5.2
01 Personal services:			
Permanent positions.....	\$509,642	\$587,780	\$916,460
Regular pay in excess of 52-week base.....	2,038	2,350	3,720
Payment above basic rates.....	7,477	6,850	11,180
Total personal services.....	519,157	596,980	931,360
02 Travel.....	31,955	40,000	46,740
03 Transportation of things.....	5,521	5,500	5,190
04 Communication services.....	16,909	17,920	42,870
05 Rents and utility services.....	22,735	22,920	43,500
06 Printing and reproduction.....	3,626	2,990	5,440
07 Other contractual services.....	19,380	2,480	4,510
Advanced to "Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture," pursuant to 7 U. S. C. 1388.....	26,611		
08 Supplies and materials.....	7,997	4,090	7,440
09 Equipment.....	23,516	5,110	9,290
11 Grants, subsidies, and contributions.....	201,812,632	79,251,293	189,325,000
13 Refunds, awards, and indemnities.....	68	180	330
15 Taxes and assessments.....	1,441	1,830	3,330
Obligations incurred.....	202,491,548	79,951,293	190,425,000
ALLOCATION TO FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR			
Total number of permanent positions.....	26		
Full-time equivalent of all other positions.....	1		
Average number of all employees.....	24		
Number of employees at end of year.....	23		

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
ALLOCATION TO FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR—CON.			
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,152		
Average grade.....	GS-7.7		
<i>Direct Obligations</i>			
01 Personal services:			
Permanent positions.....	\$119,300		
Positions other than permanent.....	3,622		
Regular pay in excess of 52-week base.....	576		
Payment above basic rates.....	1,364		
Total personal services.....	124,862		
02 Travel.....	14,513		
03 Transportation of things.....	970		
04 Communication services.....	3,125		
05 Rents and utility services.....	2,842		
06 Printing and reproduction.....	9,492		
07 Other contractual services.....	5,331		
08 Supplies and materials.....	8,635		
09 Equipment.....	2,062		
15 Taxes and assessments.....	467		
Total direct obligations.....	172,299		
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
02 Travel.....	76		
Obligations incurred.....	172,375		
ALLOTMENT TO FOREIGN AGRICULTURAL SERVICE			
Total number of permanent positions.....	123	191	191
Full-time equivalent of all other positions.....	1	3	3
Average number of all employees.....	84	172	187
Number of employees at end of year.....	126	190	190
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$6,189	\$6,079	\$6,098
Average grade.....	GS-8.8	GS-8.8	GS-8.8
01 Personal services:			
Permanent positions.....	\$499,406	\$1,030,300	\$1,118,800
Positions other than permanent.....	3,802	15,000	15,000
Regular pay in excess of 52-week base.....	1,276	3,500	4,300
Payment above basic rates.....	180		
Total personal services.....	504,664	1,048,800	1,138,100
02 Travel.....	153,274	165,800	173,500
03 Transportation of things.....	2,137	5,700	5,900
04 Communication services.....	8,452	19,300	20,200
05 Rents and utility services.....	132		
06 Printing and reproduction.....	6,958	17,100	17,900
07 Other contractual services.....	246	600	600
Services performed by other agencies.....	25,697	21,200	21,200
08 Supplies and materials.....	3,183	10,100	10,500
09 Equipment.....	7,777	6,525	6,825
15 Taxes and assessments.....	517	1,500	1,900
Obligations incurred.....	713,037	1,296,625	1,396,625
SUMMARY			
Total number of permanent positions.....	607	758	840
Full-time equivalent of all other positions.....	3	4	4
Average number of all employees.....	539	703	807
Number of employees at end of year.....	574	732	799
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,421	\$5,457	\$5,358
Average grade.....	GS-7.5	GS-7.6	GS-7.4
Personal service obligations:			
Permanent positions.....	\$3,000,424	\$3,967,968	\$4,450,210
Positions other than permanent.....	9,796	17,994	18,500
Regular pay in excess of 52-week base.....	10,925	14,952	19,520
Payment above basic rates.....	9,396	10,527	14,880
Total personal service obligations.....	3,030,541	4,011,441	4,503,110
<i>Direct Obligations</i>			
01 Personal services.....	2,987,178	4,009,430	4,503,110
02 Travel.....	329,302	405,800	405,240
03 Transportation of things.....	11,902	19,700	19,590
04 Communication services.....	100,489	131,220	137,070
05 Rents and utility services.....	46,216	55,020	70,600
06 Printing and reproduction.....	53,957	80,090	63,340
07 Other contractual services.....	57,417	51,430	48,460
Advanced to "Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture," pursuant to 7 U. S. C. 1388.....	26,611		
Services performed by other agencies.....	25,697	21,200	21,200
08 Supplies and materials.....	38,407	44,190	42,940

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations—Continued</i>			
09 Equipment.....	\$40,188	\$25,635	\$30,115
11 Grants, subsidies, and contributions.....	201,812,632	79,251,293	189,325,000
13 Refunds, awards, and indemnities.....	233	780	930
15 Taxes and assessments.....	4,478	6,130	8,030
Total direct obligations.....	205,534,707	84,101,918	194,675,625
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	43,363	2,011	
02 Travel.....	1,583		
03 Transportation of things.....	4		
04 Communication services.....	910		
07 Other contractual services.....	22		
08 Supplies and materials.....	716		
15 Taxes and assessments.....	36		
Total obligations payable out of reimbursements from other accounts.....	46,634	2,011	
Obligations incurred.....	205,581,341	84,103,929	194,675,625

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balancee brought forward.....	\$14,663,088	\$39,025,920	\$10,127,838
Obligations incurred during the year.....	205,581,341	84,103,929	194,675,625
Adjustment in obligations of prior years.....	220,244,429	123,129,849	204,803,463
Reimbursements.....	-3,594,579		
Obligated balancee carried forward.....	-48,484	-2,011	
	-39,025,920	-10,127,838	-24,803,463
Total expenditures.....	177,575,446	113,000,000	180,000,000
Expenditures are distributed as follows:			
Out of prior authorizations.....	177,575,446	113,000,000	180,000,000

COMMODITY STABILIZATION SERVICE

National Wool Act, Agriculture

(Indefinite appropriation, general account)

Estimate 1956, \$200,000

AMOUNTS AVAILABLE FOR OBLIGATION

Appropriation or estimate (obligations incurred)—1956, \$200,000.

REVOLVING AND MANAGEMENT FUNDS

PUBLIC ENTERPRISE FUNDS

COMMODITY CREDIT CORPORATION

[Submitted under the Government Corporation Control Act]

RESTORATION OF CAPITAL IMPAIRMENT

Restoration of Capital Impairment, Commodity Credit Corporation

To restore the capital impairment of the Commodity Credit Corporation determined by the appraisal of June 30, 1954, pursuant to section 1 of the Act of March 8, 1938, as amended (15 U. S. C. 713a-1), \$1,634,659. (Act of Feb. 12, 1954, Public Law 295: Act of Mar. 20, 1954, Public Law 312.)

Estimate 1956, \$1,634,659

BUDGETARY AUTHORIZATION SCHEDULES

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....			\$1,634,659
Authorization to expend from public debt receipts:			
New authorizations.....	\$1,750,000,000	\$1,500,000,000	
Cancellation of notes:			
Restoration of capital impairment.....	646,357,009		
Eradication of foot and mouth disease.....	9,121,635		
International Wheat Agreement.....	301,294,190		

OBLIGATIONS BY ACTIVITIES

Reimbursement to Commodity Credit Corporation for costs incurred in the fiscal year 1955—1956, \$200,000.

PROGRAM AND PERFORMANCE

The National Wool Act of 1954 (title VII of Public Law 690, approved Aug. 28, 1954) declares wool to be an essential and strategic commodity, and, as a measure of national security, encourages the annual domestic production of approximately 300 million pounds of shorn wool. In order to encourage the required annual production of wool and mohair, the Secretary is authorized to make sufficient incentive payments, which, when added to the national average price received by producers, will give them a national average return for the commodity equal to the support (incentive) price level thereof. Payments may not at any time exceed 70 percent of the accumulated totals of the gross receipts from specific duties collected on and after January 1, 1953, on wool and wool manufactures under schedule 11 of the Tariff Act of 1930, as amended.

Commodity Credit Corporation funds are used in carrying out this program. This appropriation is for the purpose of reimbursing the Corporation in an amount equal to the total expenditures made by the Corporation during the preceding fiscal year; and to any amounts expended in prior fiscal years not previously reimbursed. The amounts appropriated for any fiscal year shall not exceed 70 percent of the gross receipts from specific duties collected on wool and wool manufactures during the calendar year preceding the beginning of such fiscal year.

The estimate for 1956 is to reimburse the Corporation for expenses in 1955 in planning and formulating this new program.

OBLIGATIONS BY OBJECTS

11 Grants, subsidies, and contributions (reimbursement to Commodity Credit Corporation)—1956, \$200,000.

ANALYSIS OF EXPENDITURES

Obligations incurred during the year (total expenditures out of current authorizations)—1956, \$200,000.

AMOUNTS AVAILABLE FOR OBLIGATION—continued

	1954 actual	1955 estimate	1956 estimate
Unobligated balance brought forward (authorization to expend from public debt receipts).....	\$2,549,881,600	\$1,942,946,789	\$1,936,858,569
Total available for obligation.....	5,256,654,434	3,442,946,789	1,938,493,228
Unobligated balance carried forward (authorization to expend from public debt receipts).....	-1,942,946,789	-1,936,858,569	-1,617,262,130
Obligations incurred (net).....	3,313,707,645	1,506,088,220	321,231,098

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward (authorization to expend from public debt receipts).....	\$588,118,400	\$2,377,053,211	\$1,724,141,431
Obligations incurred during the year (net).....	3,313,707,645	1,506,088,220	321,231,098
Obligated balancee carried forward (authorization to expend from public debt receipts).....	3,901,826,045	3,883,141,431	2,045,372,529
Total expenditures (net) (paid into revolving fund).....	-2,377,053,211	-1,724,141,431	-1,030,737,870
Expenditures are distributed as follows:			
Out of current authorizations.....			1,634,659
Out of prior authorizations.....	1,524,772,834	2,159,000,000	1,013,000,000

PUBLIC ENTERPRISE FUNDS—Continued

BUSINESS-TYPE STATEMENTS

PROGRAM HIGHLIGHTS

[In thousands]

	1954 actual	1955 estimate	1956 estimate
Price support program			
Loans made	\$3,341,838	\$2,381,951	\$2,056,264
Purchase agreements made	358,082	285,611	294,767
Purchases of commodities	846,646	785,248	419,044
Sales of commodities	1,006,200	1,639,977	1,933,286
Donations of commodities	49,870	325,393	243,280
Collateral acquired	1,482,550	1,846,062	1,545,302
Inventory at end of year	3,668,222	4,579,971	4,526,017
All other programs			
Loans made	43,683	61,100	56,700
Purchase of commodities	49,878	32,888	27,491
Transfers of commodities from price-support program	219,777	133,483	123,750
Sales of commodities	206,458	149,258	121,529
Inventory at end of year	59,529	92	51
Administrative expense limitation	20,000	25,290	26,000
Net effect on budget expenditures	¹ 1,526,294	2,158,996	1,015,323
Net loss on all operations	1,001,129	1,029,300	\$19,750

¹ Excludes cancellation of notes for prior year costs of (1) eradication of foot-and-mouth disease, and (2) International Wheat Agreement, not credited to the Treasury checking account of Commodity Credit Corporation. Net expenditures after giving effect to credit for these cancellations would be \$1,215,877,717.

COMMODITY CREDIT CORPORATION

PURPOSE AND FINANCIAL ORGANIZATION ¹

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feeds, and fibers, for the purpose of stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balanced and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

The Corporation is managed by a board of directors, subject to the general supervision and direction of the Secretary of Agriculture, who is, ex officio, a director and chairman of the board. Besides the Secretary, the board consists of six members appointed by the President and confirmed by the Senate. In addition, the Corporation has a bipartisan advisory board of five members appointed by the President to survey the general policies of the Corporation and advise the Secretary with respect thereto.

The Corporation has an authorized capital stock of \$100,000,000, held by the United States, and authority to borrow up to \$10,000,000,000.

ANALYSIS OF BUDGET PROGRAMS

The budget is based on five types of programs: (1) price support, (2) supply and foreign purchase, (3) storage facilities, (4) commodity export, and (5) special activities.

Budget assumptions.—The Corporation's budget estimates for 1955 and 1956 are based on the general assumptions (a) that employment, production, and national income will rise moderately from the level of the second quarter of the calendar year 1954; (b) that prices will change little, on the average, from the present level; (c) that developments in international relations will not be such as to affect Government civilian programs generally; (d) that exports of agricultural products will be higher than at present; (e) that yields will be in line with recent averages; and (f) that acreage allotments and marketing

quotas will be in effect for the 1955 crops of peanuts, certain kinds of tobacco, wheat and cotton, and acreage allotments will be in effect for the 1955 crops of corn and rice in accordance with existing legislation.

In considering these estimates, it should be recognized that it is difficult to estimate requirements for the year ending June 30, 1956. They are dependent upon weather conditions, volume of agricultural production in this country and abroad, economic conditions generally, food needs in occupied areas and other foreign countries, availability of dollar exchange, and other complex and unpredictable factors.

1. Price support program.—Price-support operations are carried out under the Corporation's charter powers, in conformity with the Agricultural Act of 1949 (63 Stat. 1051), the National Wool Act of 1954, and with respect to certain types of tobacco, in conformity with the Act of July 28, 1945 (59 Stat. 506). Under the Agricultural Act of 1949, price support is mandatory for six basic commodities—corn, cotton, wheat, rice, peanuts, and tobacco—and specific nonbasic commodities, namely tung nuts, honey, milk, butterfat, and the products of milk and butterfat. Price support for wool and mohair is mandatory under the National Wool Act of 1954. Price support for other nonbasic agricultural commodities is discretionary.

Price support is made available through loans, purchase agreements, purchases, and, in the case of wool and mohair, through incentive payments based on marketings. The producer's commodities serve as collateral for price-support loans. If the producer does not repay his loan, he is not held liable for any deficiency arising from the sale of the collateral unless the loan was obtained through fraudulent representations, or there has been deterioration or shortage in farm-stored collateral. Purchase agreements generally are available during the same period that loans are available. By signing a purchase agreement, a producer receives an option to sell to the Corporation any quantity of the commodity which he may elect within the maximum specified in the agreement. When it is not feasible to support prices through loans or purchase agreements, the Corporation purchases commodities during the regular marketing season, either from producers directly or through usual trade channels, or, as indicated above, the Corporation may make payments upon wool and mohair marketed by producers thereof.

In all its price-support operations the Corporation utilizes normal trade facilities to the maximum extent practicable. In its lending activities the Corporation uses local banks, cooperatives, and other private lending agencies. Commercial storage facilities are used to a great extent in the storage of loan collateral and in the storage of stocks acquired by the Corporation.

It is estimated that price-support loans to be made during fiscal year 1956 will total \$2,056,263,750. This compares with a total of \$2,381,950,721 estimated for fiscal year 1955 and \$3,341,838,280 actually made during fiscal year 1954. The estimated decrease for 1955 below 1954 is primarily attributable to less loans on cotton, corn and wheat and reflects an estimated decrease in production of these commodities due to acreage controls. The estimated decrease for 1956 is almost entirely due to less loans on wheat as a result of continued decreasing production and a lower support level.

The value of the Corporation's inventory of price-support commodities as of June 30, 1956, is estimated to total \$4,526,016,641. This compares with an estimated \$4,579,971,030 as of June 30, 1955, and an actual inven-

¹ A more detailed statement describing the creation, purposes, authorities, and financial structure of the Corporation is contained in the Budget of the United States, 1948, as supplemented by subsequent budgets.

tory of \$3,668,222,179 as of June 30, 1954. The value of this estimated inventory both as of June 30, 1955, and June 30, 1956, includes the "Commodity set-aside" as provided for in Title I of the Agricultural Act of 1954. The major increases in inventory in the fiscal year 1955 are estimated to be due primarily to acquisitions of cotton and corn. While there is only a relatively small decrease in the total value in inventory in 1956, there are significant increases in cotton and feed grains other than corn, offset by decreases in inventories of wheat, wool, dairy, and cottonseed products.

Disposition of commodities acquired by the Corporation in its price-support operations is made in compliance with sections 202, 407, and 416 of the Agricultural Act of 1949, and other applicable legislation, particularly the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 454), and title I of the Agricultural Act of 1954 (68 Stat. 897).

In order to expand the domestic market for fluid milk, as one means of reducing the volume of dairy products being acquired by the Corporation, a special program was authorized by section 201 of the Agricultural Act of 1949. This authorization provided that beginning September 1, 1954, and ending June 30, 1956, not to exceed \$50,000,000 annually of funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children in nonprofit schools of high-school grade and under. Therefore these estimates reflect expenditures of \$50,000,000 in each of the fiscal years 1955 and 1956 for this purpose.

As a further means of increasing the utilization of dairy products, under section 202 of the Agricultural Act of 1949, the Corporation is donating butter, cheese, and dried milk to Veterans' Administration and the armed services upon certification by them that the usual quantities of dairy products have been purchased in the normal channels of trade. In addition, the Corporation is reimbursing these agencies at the rate of \$4.15 per cwt. for purchases of fluid milk made in addition to their usual purchases. The unit rate of reimbursement approximates one-half of the cost of the milk to these agencies. The portion of the cost paid by Commodity Credit Corporation represents the equivalent to the cost of buying, handling, and storing the butter and nonfat dry milk produced from a hundred-weight of milk.

Section 407 of the Agricultural Act of 1949 authorized the Corporation to make available farm products for use in distress areas and in connection with any major disaster determined by the President to warrant assistance under Public Law 875. Under this authority the 1954 Emergency Feed Program was initiated on August 2, 1954. It is impossible to accurately forecast the extent to which Commodity Credit Corporation stocks will be used for this program, but for budgetary purposes it is estimated that donations of corn, oats, barley, and grain sorghums valued at \$64,430,000 will be involved in the 1954 program.

2. Supply and foreign purchase program.—This program is carried out under the authority contained in the Corporation's charter, particularly sections 5 (b) and (c) thereof. The Corporation procures foods, agricultural commodities, their products, and related materials to supply the requirements of Government agencies, foreign governments, and relief and rehabilitation agencies and to meet domestic requirements. Foods, agricultural commodities, and their products are procured or aid is given in their procurement to facilitate distribution or to meet anticipated requirements during periods of short supply.

Operations are conducted in accordance with procedures and policies reasonably calculated to assure compliance

with section 4 of the act of July 16, 1943 (15 U. S. C. 713a-9), which requires that the Corporation be fully reimbursed for services performed, losses sustained, operating costs incurred, or commodities purchased or delivered to or on behalf of any other Government agency from the appropriate funds of such agency.

The main activities now carried on are procurement of commodities for the Department of the Army and the Foreign Operations Administration, and initial financing of certain programs authorized under the Defense Production Act to assure adequate supplies of strategic and critical materials.

Total acquisitions and carrying charges are estimated at \$27,981,100 in the fiscal year 1956 compared with an estimated \$35,070,863 for 1955 and actual acquisitions of \$53,288,651 during 1954. The estimated decrease for 1956 primarily reflects decreased activity under Defense Production operations with respect to castor beans and oil, whereas the estimated decrease for 1955 results mostly from decreased purchases for the Foreign Operations Administration. Dispositions are estimated to total \$28,021,100 for the fiscal year 1956 compared with \$93,667,231 estimated for 1955 and actual dispositions of \$68,868,292 during 1954. The increase in 1955 reflects the liquidation of most operations under the Defense Production Act and the decrease in 1956 results from the discontinuance of these operations.

3. Storage facilities program.—This program is carried out under the authority contained in the Corporation's charter, particularly sections 4 (h), 4 (m), and 5 (a). The Corporation (a) purchases and maintains granaries and equipment for care and storage of grain owned or controlled by the Corporation; (b) makes loans for the construction or expansion of farm storage facilities; (c) provides storage-use guaranties to encourage the construction of commercial storage facilities; and (d) undertakes other operations necessary to provide storage adequate to carry out the Corporation's programs.

During the fiscal year 1954 it was necessary to increase the storage capacity of Corporation-owned structures by 196,211,195 bushels. In the early part of the fiscal year 1955 it became necessary to purchase additional structures with a capacity of 106,077,464 bushels. No further expansion of Corporation structures is now contemplated during the remainder of the current fiscal year or for the fiscal year 1956. Acceptance of applications for storage-use guaranties was discontinued August 20, 1954, because of the estimated reduction in this year's crops due to the drought. It is estimated that the capacity of storage agreements in effect will be 250,000,000 bushels for each of the fiscal years 1955 and 1956 compared with agreements for a capacity of 168,000,000 bushels in effect as of the close of the fiscal year 1954. In order to provide adequate farm storage facilities in 1955 and 1956, it is estimated that the Corporation will be required to make loans on facilities having a total capacity of 60,000,000 bushels in 1955 and of 45,000,000 bushels in 1956. In addition, it is estimated that loans to finance the purchase of mechanical driers totaling \$250,000 will be made during 1955 compared with \$200,000 for 1956.

4. Commodity export program.—This program is carried out under the authority contained in the Corporation's charter, particularly sections 5 (d) and 5 (f), sections 407 and 416 of the Agricultural Act of 1949, the International Wheat Agreement Act of 1949, the Agricultural Trade Development and Assistance Act of 1954, and Title I of the Agricultural Act of 1954. The Corporation stimulates the export of agricultural commodities and products through sales, barter, payments and other means.

PUBLIC ENTERPRISE FUNDS—Continued**COMMODITY CREDIT CORPORATION—Continued**

The International Wheat Agreement Act of 1949 authorizes the President, acting through the Corporation, to make available such quantities of wheat and wheat flour to importing countries, and at such prices, as may be necessary to exercise the rights, obtain the benefits, and fulfill the obligations of the United States under the International Wheat Agreement. In turn, the Corporation is authorized to use its general borrowing authority to pay current obligations and to be repaid therefor from appropriations made specifically to cover the costs of the International Wheat Agreement. Pending such reimbursement, the Corporation is authorized to establish the net costs of operations under the agreement as a receivable. It is estimated that 150,000,000 bushels of wheat will be exported under this agreement during each of the fiscal years 1955 and 1956. During the fiscal year 1954 a total of 119,025,100 bushels of wheat were exported under the agreement. An appropriation is being requested elsewhere in this budget in the amount of \$57,378,551, to reimburse the Corporation for its net unrecovered costs during fiscal year 1954 charged to the International Wheat Agreement, and interest through June 30, 1955.

In addition to exports under the International Wheat Agreement, a program was initiated in the fall of 1953 under which wheat was offered to the export trade for export as wheat or flour at competitive prices below domestic price but not below the applicable International Wheat Agreement price. A total of 45,801,583 bushels was exported under this program during the fiscal year 1954, and it is estimated that 55,000,000 bushels of wheat will be so exported during each of the fiscal years 1955 and 1956.

Title I of the Agricultural Trade Development and Assistance Act of 1954 authorizes the President, until June 30, 1957, to carry out a program for the sale of surplus agricultural commodities for foreign currencies. The act provides that Commodity Credit Corporation shall make available surplus agricultural commodities heretofore or hereafter acquired in its price-support operations, and make available funds to finance the sale and exportation of surplus commodities from stocks owned by the Corporation or pledged as security for price-support loans or from stocks privately owned if the Corporation is not in position to supply the commodity from its owned stocks. To facilitate the use of private trade channels in cases where Commodity Credit Corporation is in position to supply the commodity from its stocks, Commodity Credit Corporation may finance the sale and exportation of privately owned stocks if the exporter makes arrangements to purchase the same commodity of comparable value or quantity from Commodity Credit Corporation stocks.

The act further provides various specified uses of the foreign currencies by any department or agency of the Government and requires reimbursement to Commodity Credit Corporation by the agency using such funds if appropriations have been made for any of the specified uses. To the extent the Corporation is not thus reimbursed by other agencies, the act authorizes appropriations to reimburse Commodity Credit Corporation for its investment in commodities used under the act including processing, packaging, transportation and handling costs, and for costs incurred in financing the exportation of

commodities, and limits transactions requiring appropriations to \$700,000,000.

Estimates of the volume of specific commodities to be sold under the provisions of this title are highly tentative. For budgetary purposes, however, it has been assumed that sales for foreign currencies will involve Commodity Credit Corporation costs totaling about \$400,000,000 in fiscal year 1955, and \$200,000,000 in fiscal year 1956. It has also been assumed that during the fiscal years 1955 and 1956, respectively, the Corporation will receive \$40,000,000 and \$125,000,000 for foreign currencies used by other agencies. Appropriate adjustments have been made in accounts receivable to reflect additional funds to be received for foreign currencies in subsequent fiscal years as well as amounts to be recovered by appropriation in the 1957 and 1958 budgets. In addition to the authority contained in title I of the Agricultural Trade Development and Assistance Act of 1954 to sell agricultural commodities for foreign currency the Corporation may also use its charter authority to effect sales for foreign currency when such sales are in the interest of the Corporation.

To the extent that operations under the commodity export program involve the disposal of price support commodities held in Commodity Credit Corporation's inventories, such disposals are for accounting purposes treated as price support program disposals.

5. *Special activities.*—These are miscellaneous activities carried out under authority of section 5 (g) of the Corporation's charter and specific statutory authorizations with respect thereto.

Among these are:

Section 391 (c) of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1391), requires the Corporation to lend to the Secretary of Agriculture during each fiscal year such sums, not to exceed \$50,000,000, as he estimates will be required to make advances for the purchase of conservation materials from January 1 to June 30 of each year. Repayment is usually made during the succeeding fiscal year from appropriated funds, with interest at least equal to the rate paid by the Corporation. In 1954, a total of \$30,143,881 was loaned; it is estimated that \$43,450,000 will be loaned during each of the fiscal years 1955 and 1956.

Under the provisions of the appropriation item in the Department of Agriculture Appropriation Act, 1955 (68 Stat. 305), entitled "Foot-and-mouth disease and other contagious diseases of animals and poultry," the Secretary of Agriculture has determined that Corporation funds should be transferred for use in the eradication of foot-and-mouth disease in Mexico and related border inspection and quarantines, subject to full reimbursement. Similar authority contained in appropriations for prior years has been used in the past primarily in connection with programs in Mexico and to a limited extent for measures to protect the United States against the introduction of foot-and-mouth disease from Canada. For the fiscal year 1954, advances and interest through June 30, 1955, amount to \$5,788,897. An appropriation to reimburse the Commodity Credit Corporation for this amount is included elsewhere in this budget. No advances under this authority in 1956 are reflected in the budget schedules.

Pursuant to authority contained under the head "Marketing services, Production and Marketing Administration," in the 1950 and 1952 Department of Agriculture Appropriation Acts (7 U. S. C. 440, 414a), the Corporation advances to the Agricultural Marketing Service non-

administrative funds for grading tobacco and classing cotton without charge to producers. Costs of such grading and classing of those commodities which are not placed under price support are repaid to Commodity Credit Corporation from subsequent appropriations. No provision for reimbursing the Corporation for such costs is included in the estimates for 1956 since sufficient funds were available to the Agricultural Marketing Service during the fiscal year 1954 for this purpose. It is estimated that advances of \$1,211,000 and \$1,300,000 will be made for this purpose during each of the fiscal years 1955 and 1956, respectively.

Under the provision of the Act of June 25, 1953 (67 Stat. 80), the Commodity Credit Corporation transferred to the Government of Pakistan a total of 22,859,650 bushels of wheat at a cost of \$69,273,881. The act of August 7, 1953 (67 Stat. 476), authorized the transfer of Commodity Credit Corporation stocks to friendly peoples in meeting famine or other urgent requirements. Under this act, wheat and wheat flour were transferred to Jordan, Libya, and Bolivia at a cost to the Corporation of \$9,676,628. Both of these laws authorize appropriations to reimburse Commodity Credit Corporation for its costs, and this budget proposes appropriations in these amounts for these purposes.

The facilities and stocks of the Corporation were authorized (67 Stat. 150) to be used by the Secretary for emergency assistance in furnishing feed and seed to farmers, ranchers, and stockmen in connection with any major disaster determined by the President to warrant Federal assistance under Public Law 875, approved September 30, 1950 (42 U. S. C. 1855). On November 16, 1953, the President directed the Corporation to furnish supplies of feed acquired by it in carrying out price-support operations for use in the drought emergency program, such supplies to be furnished without reimbursement from presently appropriated funds. Under the drought emergency program which ended July 15, 1954, feed concentrates, principally cottonseed products, corn, wheat, oats, and mixed feeds were furnished at less than market cost to eligible farmers in designated disaster areas.

The President also indicated that Congress would be requested to take specific action for the purpose of reimbursing the Corporation for losses representing the difference between the value of the feed furnished under the directive and the sales price received by the Corporation. The budget includes an estimate of an appropriation of \$42,100,000 to reimburse the Corporation for these losses. (This amount represents costs of \$41,332,837 actually recorded on the books of the Corporation as of June 30, 1954, and \$767,163 for estimated additional commodity costs incurred but not yet identified in the accounts.) Public Law 175, approved July 31, 1953 (67 Stat. 297), appropriated funds which were utilized for handling, processing, shipping, and other expenses relating to the delivery of the emergency feeds to disaster areas.

The 1954 emergency feed program is described under price-support activities, *supra*.

As a means of stabilizing the dairy industry and further suppressing and eradicating brucellosis in cattle, section 204 of the Agricultural Act of 1954 authorizes the Secretary to transfer not to exceed \$15,000,000 annually for a period of 2 years from funds available to the Commodity Credit Corporation to the appropriation item "Plant and animal disease and pest control" in the Department of Agriculture Appropriation Act, 1955, for the purpose of accelerating the brucellosis eradication program. Annual appropriations of such sums as may be necessary to reim-

burse the Commodity Credit Corporation for such expenditures are authorized. Accordingly, these estimates reflect transfers of \$10,000,000 and \$15,000,000 in 1955 and 1956, respectively, to the Agricultural Research Service, and appropriate adjustments in accounts receivable have been made to reflect amounts to be recovered in the 1957 and 1958 budgets.

Title II of the Agricultural Trade Development and Assistance Act directs the Commodity Credit Corporation to make available to the President surplus agricultural commodities for transfer to friendly nations and friendly populations in order to meet famine or other relief requirements. In addition, the President is authorized to make transfers on a grant basis to assist friendly countries or voluntary foreign relief agencies. No programs are to be undertaken after June 30, 1957, and total expenditures, including the Corporation's investment in the commodities and costs of delivery f. o. b. vessel, are not to exceed \$300,000,000. It has been estimated that transfers under this Title will approximate \$120,000,000 during 1955 and \$100,000,000 in 1956. Appropriate adjustments have been made in accounts receivable to reflect amounts to be recovered by appropriation in the 1957 and 1958 budgets.

The act of July 26, 1954 (68 Stat. 529), authorizes the Commodity Credit Corporation to transfer to the following agencies, free on board transportation conveyance at point of storage, surplus hay and pasture seeds as follows: Forest Service, 485,000 pounds; Fish and Wildlife Service, 163,000 pounds; Bureau of Land Management, 252,000 pounds. The act also authorizes appropriations to reimburse the Corporation for its investment in the seeds so transferred. The estimates include provisions for the transfer of these seeds in the fiscal year 1955 and adjustments in accounts receivable have been made to reflect recovery of these costs in the 1957 budget estimates.

Administrative expenses.—These are for the operating staff, including the services of employees of the Commodity Stabilization Service engaged in Commodity Credit Corporation activities, services performed by other agencies of the Department, costs of audit, and payments to the General Services Administration for space in the District of Columbia.

Expenses in connection with the acquisition, operation, maintenance, improvement, or disposition (including inspection, classing and grading work performed on a fee basis by Federal employees or Federal- or State-licensed inspectors) of property which the Corporation owns or in which it has an interest have been treated as nonadministrative expenses since 1951 as provided by law.

The requested authorization excludes expenses in connection with the supply and foreign purchase program and the wool and mohair price-support program under the National Wool Act of 1954; the budget for 1956 contemplates full reimbursement for these expenses. Such reimbursements in connection with the supply and foreign purchase program will be obtained and used in the fiscal year 1956 in the same manner as in the fiscal years 1954 and 1955. Reimbursement for administrative expenses, as well as program expenses, under the wool and mohair program will be obtained from appropriations made by the National Wool Act of 1954.

Estimates for 1956 include a limitation of \$26,000,000 for costs of administration exclusive of reimbursements for services performed but including a reserve of \$934,914 for contingencies. Because of the increasing price-support workload during the current fiscal year, present indications are that the 1955 limitation of \$18,000,000 will be insufficient. As a result, a supplemental estimate to in-

PUBLIC ENTERPRISE FUNDS—Continued**COMMODITY CREDIT CORPORATION—Continued**

crease this limitation will be submitted early in this session of Congress.

FINANCING OPERATIONS

The Corporation's operations are financed by capital funds and borrowings from the Treasury and from private lending agencies. In 1954 the annual interest rate paid on capital stock was 2½ percent, and the rate on borrowings from the Treasury ranged from 2½ percent through September 30, 1953, progressively decreasing to 1 percent beginning June 1, 1954. Since that date the interest rate on both capital stock and borrowings from the Treasury has been computed at 1 percent in accordance with a policy of the Treasury Department that the rate shall be based upon the average interest rate on all outstanding marketable obligations (of comparable maturity date) of the United States as of the end of the preceding month. Funds are borrowed from private lending agencies when the Corporation desires to utilize such agencies in carrying out a particular operation. All borrowing agreements with private lending agencies are approved by the Secretary of the Treasury. During the fiscal year 1954 the Corporation extended its certificate-of-interest method of financing cotton loans to other commodities, and the budget estimate anticipates that this plan will continue in effect during each of the fiscal years 1955 and 1956. Although this method of financing has no effect on obligations against the Corporation's borrowing authority, it postpones a portion of the actual cash expenditures of Federal funds until subsequent fiscal years.

OPERATING RESULTS AND RETAINED EARNINGS

The Corporation's records show that operations resulted in a net budget expenditure of \$1,215,877,717 in 1954. It is estimated that such operations will result in net budget expenditures of \$2,158,996,289 in 1955 and \$1,015,322,913 in 1956. The Treasury, however, during the fiscal year 1954, did not reflect in the Corporation's checking account note cancellations to reimburse the Corporation for prior year costs of eradication of foot-and-mouth disease and International Wheat Agreement. For budgetary purposes, therefore, the budget estimates reflect net budget expenditures of \$1,526,293,542 for the fiscal year 1954. The net loss for 1954, including both realized losses of \$588,501,678 and net increases in valuation allowances of \$412,627,176 amounted to \$1,001,128,854. It is estimated that net losses of \$1,029,300,000 and \$819,750,000 will be incurred in 1955 and 1956, respectively.

Pursuant to the act of March 8, 1938, as amended (15 U. S. C. 713a-1), an appraisal of the assets and liabilities of the Corporation is made each year by the Secretary of the Treasury to determine net worth. If the net worth is less than \$100,000,000, the Secretary of the Treasury restores the amount of capital impairment; if net worth is more than \$100,000,000 the Corporation pays the surplus to the Treasury (15 U. S. C. 713a-2). Annual appraisals as of June 30, 1953, and as at the close of prior fiscal years, were based upon valuation of assets at the lower of cost to the Corporation or average market value during June of the fiscal year. Capital impairment determined

in that manner resulted from valuation of assets at less than cost and from realized losses on sales and other operations. Public Law 312, approved March 20, 1954, provides that the appraisal of assets shall be on the basis of cost to the Corporation; therefore, future appraisals will determine the amount of surplus or capital impairment on the basis of realized losses without regard to established losses from revaluation of assets. A summary of capital impairment, restoration of capital, and payments to the Treasury is given in schedule 4. There was a deficit of \$1,092,306,419 on the books of the Corporation as of June 30, 1954. This deficit is composed of \$1,049,338,923 in valuation reserves established against the assets of the Corporation as of June 30, 1954; \$41,332,837 representing costs, recorded on the books of the Corporation at June 30, 1954, in connection with the furnishing of feed in the drought emergency program; and \$1,634,659 in unrestored realized losses. Only that portion of the deficit which represents actual realized losses is subject to restoration under the provisions of Public Law 312. The total realized loss of \$588,501,678 for the fiscal year 1954 had, in effect, been restored to the extent of \$545,534,182 by the act of February 12, 1954. The restoration of the difference of \$42,967,496 will be accomplished through the inclusion of \$41,332,837 in the estimates relating to the furnishing of feed in the drought emergency program and the remainder, \$1,634,659 of unrestored realized loss, is covered as a separate item in the estimates.

FINANCIAL CONDITION

The Corporation's assets, which consist principally of price-support loans receivable and inventories, were valued at \$5,535,062,190 as of June 30, 1954, and are estimated at \$6,108,468,474 as of June 30, 1955, and \$5,597,869,240 as of June 30, 1956. The estimated decrease in assets as of June 30, 1956, below June 30, 1955, primarily represents a decrease of \$630,111,591 in the estimated value of loans outstanding and a decrease of \$60,674,389 in the estimated value of inventories offset by an increase of \$197,145,000 in the estimated value of accounts and notes receivable. The decrease in loans outstanding is due primarily to cotton. The increase in accounts and notes receivable mainly reflects the financing of sales for foreign currencies and assistance to friendly peoples under the Agricultural Trade Development and Assistance Act of 1954, for which the Corporation will not be reimbursed until 1957 and subsequent fiscal years.

The changes in the Corporation's assets are also reflected in its principal liabilities and investment of the United States Government. Outstanding borrowings from the Treasury are estimated to amount to \$6,339,000,000 as of June 30, 1955, and \$7,352,000,000 as of June 30, 1956. Other liabilities of the Corporation, principally, price-support loans held by banks, amounted to \$2,347,368,609 as of June 30, 1954; it is estimated that these liabilities will amount to \$1,791,074,893 as of June 30, 1955; and \$1,085,591,000 as of June 30, 1956. In addition, the Corporation had contingent liabilities as of June 30, 1954, amounting to \$225,045,460. It is estimated that these contingent liabilities, consisting primarily of purchase agreements outstanding, will amount to \$88,786,000 and \$126,630,000 as of June 30, 1955, and 1956, respectively.

COMMODITY CREDIT CORPORATION—A. *Statement of sources and application of funds*

	1954 actual	1955 estimate	1956 estimate
FUNDS APPLIED			
To operations			
REGULAR:			
Price-support program:			
Acquisition of assets:			
Loans on commodities.....	\$3,341,838,280	\$2,381,950,721	\$2,056,263,750
Less: Loans made by lending agencies (guaranteed by Commodity Credit Corporation).....	2,998,427,026	2,028,000,000	1,761,000,000
Direct loans made by Commodity Credit Corporation.....	343,411,254	353,950,721	295,263,750
Loans purchased from lending agencies.....	1,893,519,744	2,414,981,877	1,309,533,893
Redemption of certificates of interest.....	391,790,915	923,150,190	1,124,286,000
Expenses:			
Purchases of commodities and other costs.....	1,235,897,980	1,186,156,543	832,396,004
Costs for increasing consumption of fluid milk in schools and by the military forces and Veterans' Affairs.....		54,788,400	57,182,600
Other program expenses.....	2,152,913	1,130,500	741,000
Wool and mohair payments and other costs.....		200,000	31,625,000
Total applied to operations, price-support program.....	\$3,866,772,806	\$4,934,358,231	\$3,651,028,247
Supply and foreign purchase program: Expenses:			
Purchases of commodities and other costs.....	53,298,325	35,070,863	27,981,100
Other program expenses.....	96,018		
Total applied to operations, supply and foreign purchase program.....	53,394,343	35,070,863	27,981,100
Storage facilities program:¹			
Acquisition of assets:			
Loans on storage facilities and equipment.....	13,539,006	17,650,000	13,250,000
Less: Loans made by lending agencies (guaranteed by Commodity Credit Corporation).....	2,231,658	2,825,000	2,125,000
Direct loans made by Commodity Credit Corporation.....	11,307,348	14,825,000	11,125,000
Loans purchased from lending agencies.....	81,886	97,444	102,000
Purchases of storage facilities and equipment.....	42,911,342	26,500,000	1,500,000
Expenses: Other program costs.....		620,000	575,000
Total applied to operations, storage facilities program.....	54,300,576	42,042,444	13,302,000
Commodity export program: Expenses: Cost of commodities.....			
	107,531,341	132,000,000	123,750,000
Subsidy program (liquidation): Expenses: Prior year adjustments.....			
	107,991		
Other expenditures:			
Acquisition of assets: Purchases of administrative equipment.....	405,379	250,000	250,000
Expenses:			
Administrative expenses:			
Applicable to limitation.....	² 19,763,859	25,290,000	26,000,000
Reimbursable.....	³ 17,375,052	5,895,376	6,144,360
Interest expense—Treasury.....	90,845,566	55,000,000	70,000,000
Nonadministrative expenses.....	9,075,687	12,979,884	10,124,891
Total applied to operations, other expenditures.....	137,465,543	99,415,260	112,519,251
Increase in selected working capital.....			
		61,833,098	44,071,922
Total applied to price-support, supply, and related programs.....	4,219,572,600	5,304,719,896	3,972,652,520
SPECIAL:			
Transfers and other costs for eradication of foot-and-mouth disease.....	5,773,291	1,865,568	18,000
Transfers and other costs for eradication of brucellosis in cattle.....		10,050,000	15,175,000
International Wheat Agreement costs.....	58,974,972	106,370,153	84,249,035
Loan to Secretary of Agriculture: Acquisition of assets: Loans for agricultural conservation purposes.....	30,143,881	43,450,000	43,450,000
Emergency assistance to Pakistan: Wheat.....	68,599,852	674,029	
Emergency assistance to friendly peoples:			
Public Law 216.....	5,751,900	3,924,728	
Public Law 480, title II.....		119,335,000	98,094,000
Sales for foreign currencies: Cost of commodities and other expenditures.....		400,000,000	203,500,000
Emergency feed program: Cost of commodities ⁴	112,246,208	1,483,341	
Total applied to operations.....	4,501,062,704	5,991,872,715	4,417,138,555
To financing			
Repayment of borrowings: Treasury:			
By cash repayments.....	1,853,227,166	1,841,000,000	2,387,000,000
By cancellation of notes.....	956,772,834		

¹ Operation and maintenance costs applicable to owned storage structures are reflected as carrying charges on the commodities stored.² Adjusted subsequent to June 30, 1954, due to certification under sec. 1311, Public Law 663, approved Aug. 26, 1954.³ Fiscal year 1954 not adjusted for comparability due to reorganization.⁴ On Nov. 16, 1953, the President directed the Corporation to supply feed at reduced prices without reimbursement from appropriated funds available at that time. Provision for reimbursing the Corporation for costs incurred is contained in this budget. Excludes \$26,940,721 in 1954 and an estimated \$2,059,279 in 1955 (total \$29,000,000) for handling, processing, shipping, and other expenses relating to delivery of feed to disaster areas, recovered from funds appropriated by Public Law 175, approved July 31, 1953.

COMMODITY CREDIT CORPORATION—A. *Statement of sources and application of funds*—Continued

	1954 actual	1955 estimate	1956 estimate
FUNDS APPLIED —Continued			
To financing —Continued			
Increase in Treasury cash.....		\$3,711	
Total applied to financing.....	\$2,810,000,000	\$1,841,003,711	\$2,387,000,000
Total funds applied.....	7,311,062,704	7,832,876,426	6,804,138,555
FUNDS PROVIDED			
By operations			
REGULAR:			
Price-support program:			
Realization of assets:			
Repayments of loans.....	\$657,098,896	1,211,541,632	\$1,199,247,448
Less: Repayments made to lending agencies.....	164,070,188	315,000,000	415,000,000
Repayments to Commodity Credit Corporation.....	493,028,708	896,541,632	784,247,448
Certificates of interest issued.....	1,169,941,105	1,169,286,000	400,000,000
Loans transferred to accounts receivable.....	975,137		
Income:			
Sales of commodities.....	976,763,646	1,439,976,526	1,733,286,201
Warehouse settlements and inventory exchanges.....	3,715,156		
Other program income.....	1,904,840	195,000	105,000
Reimbursements for wool and mobair costs.....			200,000
Total provided by operations, price-support program.....	2,646,328,592	3,505,999,158	2,917,838,649
Supply and foreign purchase program: Income:			
Sales of commodities.....	54,940,868	54,201,695	28,028,476
Losses recoverable from other funds.....	13,816,380	39,617,477	18,200
Warehouse settlements and inventory exchanges.....	9,674		
Other program income.....	1,933,975		
Total provided by operations, supply and foreign purchase program.....	70,700,897	93,819,172	28,046,676
Storage facilities program:			
Repayment of loans.....	7,757,070	11,765,124	13,520,000
Less: Repayments made to lending agencies.....	1,593,726	1,697,000	2,067,000
Repayments to Commodity Credit Corporation.....	6,163,344	10,068,124	11,453,000
Loans transferred to accounts receivable.....	154,057		
Other program income.....	231,341		
Total provided by operations, storage facilities program.....	6,548,742	10,068,124	11,453,000
Commodity export program: Income: Sales of commodities.....	81,443,847	93,500,000	93,500,000
Other receipts:			
Realization of assets: Proceeds from sale of administrative equipment.....			
Income:	4,663	5,000	5,000
Interest.....	16,307,464	21,695,000	25,980,000
Other.....	180,013	180,000	180,000
Administrative expense reimbursements.....	² 17,375,052	5,895,376	6,144,360
Prior year adjustments to administrative expenses.....	143,815	² 13,678	
Total provided by other receipts.....	34,011,007	27,789,054	32,309,360
Decrease in selected working capital.....	47,253,343		
Total provided by price-support, supply, and related programs.....	2,886,286,428	3,731,175,508	3,083,147,685
SPECIAL:			
Reimbursement for prior years' costs:			
Eradication of foot-and-mouth disease.....			5,788,897
International Wheat Agreement.....			57,378,551
Loan to Secretary of Agriculture: Realization of assets: Repayments of loans.....	18,410,222	60,143,881	9,450,000
Emergency assistance to Pakistan.....			69,273,881
Emergency assistance to friendly peoples (Public Law 216).....			9,676,628
Sales for foreign currencies: Exchange of dollars for foreign currencies.....		40,000,000	125,000,000
Emergency feed program: ⁴			
Sales of commodities.....	70,072,512	1,557,037	
Recovery of prior year losses.....			42,100,000
Total funds provided by emergency feed program.....	70,072,512	1,557,037	42,100,000
Total provided by operations.....	2,974,769,162	3,832,876,426	3,401,815,642

² Adjusted subsequent to June 30, 1954, due to certification under sec. 1311, Public Law 663, approved Aug. 26, 1954.³ Fiscal year 1954 not adjusted for comparability due to reorganization.⁴ On Nov. 16, 1953, the President directed the Corporation to supply feed at reduced prices without reimbursement from appropriated funds available at that time. Provision for reimbursing the Corporation for costs incurred is contained in this budget. Excludes \$26,940,721 in 1954 and an estimated \$2,059,279 in 1955 (total \$29,000,000) for handling, processing, shipping, and other expenses relating to delivery of feed to disaster areas, recovered from funds appropriated by Public Law 175, approved July 31, 1953.

COMMODITY CREDIT CORPORATION—A. *Statement of sources and application of funds*—Continued

	1954 actual	1955 estimate	1956 estimate
FUNDS PROVIDED—Continued			
By financing			
Borrowings from Treasury	\$3,378,000,000	\$4,000,000,000	\$3,400,000,000
Cancellation of notes and other reimbursements:			
Restoration of capital impairment.....	646,357,009	-----	1,634,659
Reimbursement of transfers and other costs for eradication of foot-and-mouth disease (reduction in accounts receivable).....	9,121,635	-----	-----
Reimbursement for International Wheat Agreement costs (reduction in accounts receivable).....	301,294,190	-----	-----
Decrease in Treasury cash	1,520,708	-----	688,254
Total provided by financing	\$4,336,293,542	\$4,000,000,000	\$3,402,322,913
Total funds provided	7,311,062,704	7,832,876,426	6,804,138,555

EFFECT ON BUDGET EXPENDITURES

Funds applied to operations.....	\$4,501,062,704	\$5,991,872,715	\$4,417,138,555
Funds provided by operations.....	2,974,769,162	3,832,876,426	3,401,815,642
Net effect on budget expenditures	^a 1,526,293,542	2,158,996,289	1,015,322,913
The above are charged or credited (—) as follows:			
To budgetary authorizations.....	1,524,772,834	2,159,000,000	1,014,634,659
To net receipts of the fund.....	1,520,708	—3,711	688,254
The above expenditures are charged or credited (—) to the following programs:			
Price support, supply, and related programs.....	1,333,286,172	1,573,544,388	889,504,835
Transfers and other costs for eradication of foot-and-mouth disease.....	5,773,291	1,865,568	—5,770,897
Transfers and other costs for eradication of brucellosis in cattle.....	-----	10,050,000	15,175,000
International Wheat Agreement costs.....	58,974,972	106,370,153	26,870,484
Net loan to Secretary of Agriculture for conservation purposes.....	11,733,659	—16,693,881	34,000,000
Emergency assistance to Pakistan.....	68,599,852	674,029	—69,273,881
Emergency assistance to friendly peoples:			
Public Law 216.....	5,751,900	3,924,728	—9,676,628
Public Law 480, title II.....	-----	119,335,000	98,094,600
Emergency feed program.....	42,173,696	—73,696	—42,100,000
Sales for foreign currencies.....	-----	360,000,000	78,500,000

^a Excludes cancellation of notes for prior-year costs of (1) eradication of foot-and-mouth disease, and (2) International Wheat Agreement, not credited to the Treasury checking account of Commodity Credit Corporation. Net expenditures after giving effect to credit for these cancellations would be \$1,215,877,717.

COMMODITY CREDIT CORPORATION—B. *Statement of income and expense*

	1954 actual	1955 estimate	1956 estimate
PRICE SUPPORT PROGRAM			
Income:			
Sales of commodities.....	\$976,763,646	\$1,439,976,526	\$1,733,286,201
Other program income.....	1,904,840	195,000	105,000
Nonfund transactions—Sales and other income.....	29,469,178	200,000,000	200,000,000
Total income	\$1,008,137,664	\$1,640,171,526	\$1,933,391,201
Expenses:			
Cost of goods sold:			
Purchases of commodities and other costs.....	1,235,897,980	1,186,156,543	832,396,004
Warehouse settlements and inventory exchanges.....	—3,715,156	-----	-----
Nonfund transactions—collateral acquired and other acquisitions.....	1,521,246,469	2,058,020,429	1,757,721,893
Increase (—) in inventory (excluding donations).....	—1,379,355,190	—1,238,142,168	—189,325,548
Cost of goods sold.....	1,374,074,103	2,006,034,804	2,400,792,349
Costs for increasing consumption of fluid milk in schools, military services, and veterans' affairs.....	-----	54,788,400	57,182,600
Other program expenses.....	2,152,913	1,130,500	741,000
Donations of commodities.....	49,869,578	326,393,317	243,279,937
Losses on loans charged off.....	1,518,144	475,000	1,125,000
Increase or decrease (—) in allowances for losses on—			
Loans.....	32,638,000	—64,661,000	—25,569,000
Inventories.....	389,432,000	248,843,000	6,680,000
Commodities under contract to purchase.....	—8,836,000	—14,565,000	-----
Total expenses	1,840,848,738	2,558,439,021	2,684,231,886
Net loss (—) from price support program	—832,711,074	—918,267,495	—750,840,685

COMMODITY CREDIT CORPORATION—B. *Statement of income and expense*—Continued

	1954 actual	1955 estimate	1956 estimate
SUPPLY AND FOREIGN PURCHASE PROGRAM			
Income:			
Sales of commodities.....	\$54,940,868	\$54,201,695	\$28,028,476
Losses recovered from other funds.....	13,816,380	39,617,477	18,200
Other program income.....	1,933,975		
Total income.....	\$70,691,223	\$93,819,172	\$28,046,676
Expenses:			
Cost of goods sold:			
Purchases of commodities and other costs.....	53,298,325	35,070,863	27,981,100
Decrease in inventory.....	15,579,641	58,596,368	40,000
Warehouse settlements and inventory exchanges.....	-9,674		
Cost of goods sold.....	68,868,292	93,667,231	28,021,100
Other program expenses.....	96,018		
Total expenses.....	68,964,310	93,667,231	28,021,100
Net income from supply and foreign purchase program.....	1,726,913	151,941	25,576
STORAGE FACILITIES PROGRAM¹			
Net program income or expenses (-).....	231,341	-620,000	-575,000
COMMODITY EXPORT PROGRAM			
Income: Sales of commodities.....	81,443,847	93,500,000	93,500,000
Expenses: Cost of commodities.....	107,531,341	132,000,000	123,750,000
Net loss (-) from commodity export program.....	-26,087,494	-38,500,000	-30,250,000
SUBSIDY PROGRAM (LIQUIDATION)			
Expenses: Prior year adjustments.....	-107,991		
EMERGENCY FEED PROGRAM²			
Income:			
Sales of commodities.....	70,072,512	1,557,037	
Recovery of prior year losses.....			42,100,000
Total income.....	70,072,512	1,557,037	42,100,000
Expenses: Cost of goods sold:			
Cost of commodities.....	112,246,208	1,483,341	
Increase (-) or decrease in inventory.....	-840,859	840,859	
Cost of goods sold.....	111,405,349	2,324,200	
Net income or loss (-) from emergency feed program.....	-41,332,837	-767,163	42,100,000
OTHER INCOME AND EXPENSES			
Income:			
Gain on sale of administrative equipment: Proceeds from sale.....	4,663	5,000	5,000
Interest.....	16,307,464	21,695,000	25,980,000
Other income.....	180,013	180,000	180,000
Prior year adjustments to administrative expenses.....	143,815	* 13,678	
Total income.....	16,635,955	21,893,678	26,165,000
Expenses:			
Administrative expenses.....	* 37,138,911	31,185,376	32,144,360
Less reimbursements.....	* 17,375,052	5,895,376	6,144,360
Net administrative expenses applicable to limitation.....	* 19,763,859	25,290,000	26,000,000
Interest expense—Treasury.....	90,845,566	55,000,000	70,000,000
Nonadministrative expenses.....	9,075,687	12,979,884	10,124,891
Depreciation of administrative equipment.....	405,379	250,000	250,000
Decrease (-) in allowance for losses on accounts and notes receivable.....	-606,824	-328,923	
Total expenses.....	119,483,667	93,190,961	106,374,891
Net loss (-), other income and expenses.....	-102,847,712	-71,297,283	-80,209,891
Net loss (-) for the year.....	-1,001,128,554	-1,020,300,000	-819,750,000

¹ Operation and maintenance costs applicable to owned storage structures are reflected as carrying charges on the commodities stored.² On Nov. 16, 1953, the President directed the Corporation to supply feed at reduced prices without reimbursement from appropriated funds available at that time. Provision for reimbursing the Corporation for costs incurred is contained in this budget. Excludes \$26,940,721 in 1954 and an estimated \$2,059,279 in 1955 (total \$29,000,000) for handling, processing, shipping, and other expenses relating to delivery of feed to disaster areas, recovered from funds appropriated by Public Law 175, approved July 31, 1953.³ Adjusted subsequent to June 30, 1954, due to certification under sec. 1311, Public Law 663, approved Aug. 26, 1954.⁴ Fiscal year 1954 not adjusted for comparability due to reorganization.

COMMODITY CREDIT CORPORATION—B. *Statement of income and expense*—Continued

ANALYSIS OF DEFICIT (—)

	1954 actual	1955 estimate	1956 estimate
Deficit (—), beginning of year.....	—\$737,534,574	—\$1,092,306,419	—\$2,121,606,419
Net loss (—) for the year.....	—1,001,128,854	—1,029,300,000	—819,750,000
Total.....	—1,738,663,428	—2,121,606,419	—2,941,356,419
Restoration of capital impairment:			
By cancellation of notes.....	646,357,009	-----	-----
By appropriation.....	-----	-----	1,634,659
Deficit (—), end of year.....	—1,092,306,419	—2,121,606,419	—2,939,721,760

COMMODITY CREDIT CORPORATION—C. *Statement of financial condition*

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1953 actual	1954 actual	1955 estimate	1956 estimate
ASSETS				
Cash:				
With Treasury:				
Revolving fund.....	\$6,053,457	\$2,582,153	\$2,804,364	\$2,536,110
Working fund advances to other agencies.....	519,666	2,470,262	2,251,762	1,831,762
In transit and in banks.....	5,274,717	11,889,276	5,000,000	5,000,000
Total cash.....	11,847,840	16,941,691	10,056,126	9,367,872
Foreign currencies.....		19,435,192	5,000,000	2,000,000
Loans receivable:				
Held by Commodity Credit Corporation.....	889,005,389	386,507,258	154,385,424	186,568,726
Held by lending agencies and banks (including certificates) (see contra liability account below).....	287,967,074	2,007,510,404	1,552,694,893	864,831,000
Total loans receivable.....	1,176,972,463	2,394,017,662	1,707,080,317	1,051,399,726
Less allowance for losses.....	63,614,000	96,252,000	31,591,000	6,022,000
Net loans receivable.....	1,113,358,463	2,297,765,662	1,675,489,317	1,045,377,726
Inventories (at cost).....	2,413,004,076	3,727,750,906	4,580,062,530	4,526,068,141
Less allowances for loans.....	536,761,000	926,193,000	1,175,036,000	1,181,716,000
Net inventories.....	1,876,243,076	2,801,557,906	3,405,026,530	3,344,352,141
Commodities under contract to purchase.....	60,380,275	25,175,879	-----	-----
Less allowance for losses.....	23,401,000	14,565,000	-----	-----
Net commodities under contract to purchase.....	36,979,275	10,610,879	-----	-----
Accounts and notes receivable.....	392,361,192	258,750,402	872,514,000	1,069,659,000
Less allowance for losses.....	12,935,747	12,328,923	12,000,000	12,000,000
Net accounts and notes receivable.....	379,425,445	246,421,479	860,514,000	1,057,659,000
Land, structures, and equipment:				
Storage facilities and equipment.....	130,797,837	173,389,386	198,525,000	200,025,000
Administrative equipment.....	1,559,494	1,874,102	2,041,501	2,209,001
Total land, structures, and equipment.....	132,357,331	175,263,488	200,566,501	202,234,001
Less portion charged off as depreciation.....	35,683,323	44,892,987	55,654,000	68,241,500
Net land, structures, and equipment.....	96,674,008	130,370,501	144,912,501	133,992,501
Accrued assets.....	2,289,128	3,904,231	3,370,000	3,020,000
Deferred and undistributed charges.....	3,219,234	8,054,649	4,100,000	2,100,000
Total assets.....	3,520,036,469	5,535,062,190	6,108,468,474	5,597,869,240
LIABILITIES				
Obligation to purchase loans and/or certificates held by lending agencies and banks (see contra asset account above).....	287,967,074	2,007,510,404	1,552,694,893	864,831,000
Accounts payable.....	84,339,478	157,314,175	70,550,000	53,490,000
Trust and deposit liabilities.....	18,978,870	25,904,074	16,500,000	20,600,000
Accrued liabilities.....	152,158,889	144,758,588	144,530,000	142,870,000
Deferred and undistributed credits.....	2,126,732	11,881,368	6,800,000	3,800,000
Total liabilities.....	545,571,043	2,347,368,609	1,791,074,893	1,085,591,000

COMMODITY CREDIT CORPORATION—C. *Statement of financial condition*—Continued

	1953 actual	1954 actual	1955 estimate	1956 estimate
INVESTMENT OF U. S. GOVERNMENT				
Interest-bearing investment (held by Treasury):				
Notes payable.....	\$3,612,000,000	\$4,180,000,000	\$6,339,000,000	\$7,352,000,000
Capital stock.....	100,000,000	100,000,000	100,000,000	100,000,000
Total interest-bearing investment.....	3,712,000,000	4,280,000,000	6,439,000,000	7,452,000,000
Non-interest-bearing investment: Deficit (—).....	—737,534,574	—1,092,306,419	—2,121,606,419	—2,939,721,760
Total investment of U. S. Government.....	2,974,465,426	3,187,693,581	4,317,393,581	4,512,278,240
Total liabilities and investment of U. S. Government.....	3,520,036,469	5,535,062,190	6,108,468,474	5,597,869,240
NOTE.—				
Selected working capital (other than cash) included above.....	—\$102,296,419	—\$149,549,762	—\$87,716,664	—\$43,644,742
Obligation to purchase loans and/or certificates held by lending agencies (included above).....	287,967,074	2,007,510,404	1,552,694,893	864,831,000
Contingent liabilities:				
Purchase agreements outstanding.....	196,052,000	220,622,000	81,106,000	120,620,000
Approved declaration of sales for export: International Wheat Agreement....	8,030,000	3,297,651	6,200,000	4,900,000
Approved commitments for storage loans.....	346,030	1,125,809	1,480,000	1,110,000
Total contingent liabilities.....	204,428,030	225,045,460	88,786,000	126,630,000

COMMODITY CREDIT CORPORATION—SCHEDULE 1. *Net receipts and expenditures*

Program, commodity, and fiscal year	Receipts			Expenditures				Net adjustment: Increase (or decrease (—)) in loans held by banks	Net receipts or expenditures (—)	Memorandum: Realized gain or loss (—)
	Repayments of loans	Sales	Other	Loans	Purchases	Carrying charges	Other			
REGULAR OPERATIONS										
Price support program:										
Basic commodities:										
Corn:										
1954.....	\$42,302,031	\$266,788,245	\$1,610,111	\$591,864,695	\$114,500,515	\$56,993,634	\$24,429,758	\$376,614,569	—\$100,473,646	—\$80,502,840
1955.....	67,040,669	270,114,000	-----	421,507,500	92,391,000	69,407,097	-----	—118,523,951	—364,674,879	—101,623,000
1956.....	210,600,000	292,500,000	-----	474,000,000	32,400,000	90,649,000	-----	—38,000,000	—131,949,000	—127,468,000
Cotton:										
1954.....	288,287,676	12,826,641	317,612	1,155,309,797	106,152	1,294,061	1,094,630	1,135,921,701	279,548,990	—1,757,221
1955.....	521,320,659	54,618,000	70,000	432,875,000	-----	9,067,548	631,000	—359,445,659	—226,010,548	476,000
1956.....	322,350,000	409,272,000	105,000	346,625,000	-----	27,650,000	506,000	—651,017,893	—294,071,893	—10,954,000
Peanuts:										
1954.....	14,358,615	28,535,483	237,155	48,501,753	72	4,198,884	537,707	1,840,006	—8,267,157	—23,359,266
1955.....	9,021,864	2,976,540	-----	6,120,000	-----	368,400	28,500	—1,861,657	3,619,847	—2,482,209
1956.....	30,600,000	7,000,000	-----	55,080,000	-----	330,000	-----	-----	—17,810,000	—5,405,000
Rice:										
1954.....	3,316,750	4,599,376	1,811	8,951,553	10,855,080	380,734	174,837	35,876	—12,408,391	568,205
1955.....	5,081,440	75,414,000	-----	29,520,000	108,285,000	3,433,501	-----	—63,925	—60,806,986	2,769,000
1956.....	7,230,000	85,700,000	-----	9,640,000	36,899,000	3,365,000	-----	-----	43,026,000	—26,590,000
Tobacco:										
1954.....	81,556,605	293,682	450,043	118,430,504	-----	21,068	231,501	191,750,974	155,368,231	—956,375
1955.....	118,872,057	756,768	-----	166,750,000	-----	20,700	200,000	35,249,026	—12,092,849	—961,000
1956.....	126,177,698	-----	-----	130,000,000	-----	-----	235,000	2,000,000	—2,057,302	—1,360,000
Wheat:										
1954.....	95,154,476	304,792,694	2,697,995	1,063,754,771	61,584,671	196,976,900	36,566,014	—155,348	—956,392,539	—71,338,944
1955.....	327,322,013	540,030,000	-----	893,000,000	75,620,000	218,680,682	-----	—1,219,070	—321,167,739	—123,757,000
1956.....	339,900,000	472,501,000	-----	618,000,000	20,600,000	193,469,000	-----	-----	—19,668,000	—172,468,000
Total basic:										
1954.....	524,976,153	617,836,121	5,314,727	2,986,813,073	187,046,490	259,865,281	63,034,447	1,706,007,778	—642,624,512	—177,346,441
1955.....	1,048,658,702	943,909,308	70,000	1,949,772,500	276,296,000	300,977,928	859,500	—445,865,236	—981,133,154	—225,578,209
1956.....	1,036,857,698	1,266,973,000	105,000	1,633,345,000	89,899,000	315,463,000	741,000	—687,017,893	—422,530,195	—344,245,000
Mandatory nonbasic commodities:										
Honey:										
1954.....	296,883	1,130,927	416	338,408	—8,026	386,804	32,579	—2,344	676,117	8,812
1955.....	306,884	277,700	-----	500,000	100,000	85,858	-----	—2,419	—103,693	-----
1956.....	810,000	1,886,400	-----	1,800,000	500,000	716,400	-----	-----	—320,000	-----
Milk and butterfat:										
1954.....	-----	127,016,131	75,546	-----	500,511,013	27,023,015	7,386	-----	—400,449,737	—130,713,531
1955.....	-----	96,882,000	-----	3,430,000	359,100,000	29,192,500	154,788,400	-----	—349,628,900	—342,549,370
1956.....	-----	81,040,000	-----	-----	243,750,000	26,400,000	157,182,600	-----	—246,292,600	—309,042,537

¹ Sec. 201 of the Agricultural Act of 1949, as amended, provides that beginning Sept. 1, 1954, and ending June 30, 1956, not to exceed \$50,000,000 annually of funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children in nonprofit schools of high-school grade and under. In addition, under authority of sec. 202 of this act, as amended, the Corporation partially reimburses the Veterans' Administration and the Armed services for purchases of fluid milk in addition to their usual purchases.

COMMODITY CREDIT CORPORATION—SCHEDULE 1. *Net receipts and expenditures*—Continued

Program, commodity, and fiscal year	Receipts			Expenditures				Net adjustment: Increase (or decrease (—)) in loans held by banks	Net receipts or expenditures (—)	Memorandum: Realized gain or loss (—)
	Repayments of loans	Sales	Other	Loans	Purchases	Carrying charges	Other			
REGULAR OPERATIONS—Continued										
Mandatory nonbasic commodities—Continued										
Mohair (payment program) 1956.....							\$701,500		—\$701,500	
Potatoes (liquidation): 1954.....			\$31,294				49,178		—17,884	—\$17,884
Tung oil:										
1954.....	\$464,699			\$7,855,373	\$211,573	\$38,245	612	\$6,264,346	—1,376,758	—2,685
1955.....	72,270	\$3,059,976		2,968,000	169,311	341,000		—4,036,331	—4,382,396	—1,568,617
1956.....	318,000	3,575,400		4,240,000	106,000	296,000		788,000	39,400	—1,833,970
Wool (old program):										
1954.....	8,981,299	10,675,397	270,320	29,982,474	7,217,706	2,072,176	445,774	3,155,379	—16,635,735	—452,501
1955.....	14,965,495	26,240,000	125,000	36,500,000		2,074,756	271,000	—3,423,436	—938,697	—2,666,000
1956.....		82,473,751				1,544,915			80,923,836	—8,844,628
Wool (payment program):										
1955.....							200,000		—200,000	
1956.....			200,000				30,923,500		—30,723,500	
Total mandatory nonbasic:										
1954.....	9,742,881	138,822,455	377,576	38,176,255	507,932,266	29,520,240	535,529	9,417,381	—417,803,997	—131,177,789
1955.....	15,344,649	126,459,676	125,000	43,398,000	359,369,311	31,694,114	55,259,400	—7,462,186	—355,253,686	—346,783,987
1956.....	1,128,000	168,975,551	200,000	6,040,000	244,356,000	28,957,315	88,807,600	788,000	—197,069,364	—319,721,135
Other:										
1954.....	122,379,862	220,105,070	902,830	316,848,952	151,667,054	33,236,048	5,213,538	3,562,125	—160,015,705	—110,952,844
1955.....	147,538,281	369,607,542		388,780,221	150,582,598	64,908,671	2,327,921	—2,518,645	—91,972,233	—176,288,299
1956.....	161,261,750	297,337,650		416,878,750	84,789,100	67,366,689	1,564,900	—1,590,000	—113,590,039	—105,763,550
Total price support program:										
1954.....	657,098,896	976,763,646	6,595,133	3,341,838,280	846,645,810	322,621,569	68,783,514	1,718,987,284	—1,220,444,214	—419,477,074
1955.....	1,211,541,632	1,439,976,526	195,000	2,381,950,721	786,247,909	397,580,713	58,446,821	—455,846,067	—1,428,359,073	—748,650,495
1956.....	1,199,247,448	1,733,286,201	305,000	2,056,263,750	419,044,100	411,787,004	91,113,500	—687,819,893	—733,189,598	—769,729,685
Supply and foreign purchase program:										
1954.....		54,940,868	15,760,029		49,878,031	3,398,505	117,807		17,306,554	1,726,913
1955.....		54,201,695	39,617,477		32,888,495	2,182,368			58,748,309	151,941
1956.....		28,028,476	18,200		27,490,500	490,600			65,576	25,576
Storage facilities program: ²										
1954.....	7,757,070		385,398	13,539,006	42,911,342			556,046	—47,751,834	231,341
1955.....	11,765,124			17,650,000	26,500,000		620,000	1,030,556	—31,974,320	—620,000
1956.....	13,520,000			13,250,000	1,500,000		575,000	—44,000	—1,849,000	—575,000
Commodity export program:										
1954.....		81,443,847					107,531,341		—26,087,494	—26,087,494
1955.....		93,500,000					132,000,000		—38,500,000	—38,500,000
1956.....		93,500,000					123,750,000		—30,250,000	—30,250,000
Subsidy program (in liquidation):										
1954.....							107,991		—107,991	—107,991
Other receipts and expenditures:										
1954.....		4,663	34,006,344		405,379		137,060,164		—103,454,536	—103,454,536
1955.....		5,000	27,784,054		250,000		99,165,260		—71,626,206	—71,626,206
1956.....		5,000	32,304,360		250,000		112,269,251		—80,209,891	—80,209,891
Changes in selected working capital:										
1954.....			47,253,343						47,253,343	
1955.....							61,833,098		—61,833,098	
1956.....							44,071,922		—44,071,922	
Total price support, supply, and related programs:										
1954.....	664,855,966	1,113,153,024	104,000,247	3,355,377,286	939,840,562	326,020,074	313,600,817	1,719,543,330	—1,333,286,172	—547,168,841
1955.....	1,223,306,756	1,587,683,221	67,596,531	2,399,600,721	845,886,404	399,763,081	352,065,179	—454,815,511	—1,573,544,388	—859,244,760
1956.....	1,212,767,448	1,854,819,677	32,627,560	2,069,513,750	448,284,600	412,277,604	371,779,673	—687,863,893	—889,504,835	—880,739,000
SPECIAL OPERATIONS										
Eradication of foot-and-mouth disease:										
1954.....							5,773,291		—5,773,291	
1955.....							1,865,568		—1,865,568	
1956.....			5,788,897				18,000		5,770,897	
Eradication of brucellosis in cattle:										
1955.....							10,050,000		—10,050,000	
1956.....							15,175,000		—15,175,000	

² Operation and maintenance costs applicable to owned storage structures are reflected as carrying charges on the commodities stored.

COMMODITY CREDIT CORPORATION—SCHEDULE 1. *Net receipts and expenditures*—Continued

Program, commodity, and fiscal year	Receipts			Expenditures				Net adjustment: Increase (or decrease (—)) in loans held by banks	Net receipts or expenditures (—)	Memorandum: Realized gain or loss (—)
	Repayments of loans	Sales	Other	Loans	Purchases	Carrying charges	Other			
SPECIAL OPERATIONS—Con.										
International Wheat Agreement:										
1954.....							\$58,974,972		—\$58,974,972	
1955.....							106,370,153		—106,370,153	
1956.....			\$57,378,551				84,249,035		—26,870,484	
Loan to Secretary of Agriculture:										
1954.....	\$18,410,222			\$30,143,881					—11,733,659	
1955.....	60,143,881			43,450,000					16,693,881	
1956.....	9,450,000			43,450,000					—34,000,000	
Emergency assistance to Pakistan:										
1954.....							68,599,852		—68,599,852	
1955.....							674,029		—674,029	
1956.....			69,273,881						69,273,881	
Emergency assistance to friendly peoples (Public Law 216):										
1954.....							5,751,900		—5,751,900	
1955.....							3,924,728		—3,924,728	
1956.....			9,676,628						9,676,628	
Emergency assistance to friendly peoples (Public Law 480, title II):										
1954.....							119,335,000		—119,335,000	
1955.....							98,094,000		—98,094,000	
1956.....										
Sales for foreign currencies:										
1954.....			40,000,000				400,000,000		—360,000,000	
1955.....			125,000,000				203,500,000		—78,500,000	
1956.....										
Emergency feed program: ³										
1954.....		\$70,072,512					112,246,208		—42,173,696	—\$41,332,837
1955.....		1,557,037					1,483,341		73,696	—767,163
1956.....			42,100,000						42,100,000	42,100,000
Total all operations:										
1954.....	683,266,188	1,183,225,536	104,000,247	3,385,521,167	\$939,840,562	\$326,020,074	564,947,040	\$1,719,543,330	4—1,526,293,542	—588,501,678
1955.....	1,283,450,637	1,589,240,258	107,596,531	2,443,050,721	845,886,404	399,763,081	995,767,998	—454,815,511	—2,158,996,289	—860,011,923
1956.....	1,222,217,448	1,854,819,677	341,845,517	2,112,963,750	448,284,600	412,277,604	772,815,708	—687,863,893	—1,015,322,913	—838,639,000

³ On Nov. 16, 1953, the President directed the Corporation to supply feed at reduced prices without reimbursement from appropriated funds available at that time. Provision for reimbursing the Corporation for costs incurred is contained in this budget. Excludes \$26,940,721 in 1954 and an estimated \$2,059,279 in 1955 (total \$29,000,000), for handling, processing, shipping, and other expenses relating to delivery of feed to disaster areas, recovered from funds appropriated by Public Law 175, approved July 31, 1953.

⁴ Excludes cancellation of notes for prior year costs of (1) eradication of foot-and-mouth disease, and (2) International Wheat Agreement, not credited to the Treasury checking account of Commodity Credit Corporation. Net expenditures after giving effect to credit for these cancellations would be \$1,215,877,717.

COMMODITY CREDIT CORPORATION—SCHEDULE 2. *Loan and inventory operations*

Program, commodity, and fiscal year	Loan operations					Inventory operations			
	Loans outstanding at beginning of year	New loans made	Repayments	Collateral acquired and write-offs	Loans outstanding at end of year	Beginning inventory	Acquisitions and carrying charges	Dispositions	Ending inventory
Price support program:									
Basic commodities:									
Corn:									
1954.....	\$468,190,351	\$591,864,695	\$42,302,031	\$377,246,846	\$640,506,169	\$371,215,346	\$571,503,623	\$347,234,066	\$595,484,903
1955.....	640,506,169	421,507,500	67,040,669	480,882,000	514,091,000	595,484,903	642,680,097	371,737,000	866,428,000
1956.....	514,091,000	474,000,000	210,600,000	303,491,000	474,000,000	866,428,000	426,540,000	419,968,000	873,000,000
Cotton:									
1954.....	290,034,065	1,155,309,797	288,287,676	42,634	1,157,013,552	32,796,449	1,413,423	13,777,420	20,432,452
1955.....	1,157,013,552	432,875,000	521,320,659	271,000,000	797,567,893	20,432,452	280,067,548	53,581,000	1,246,919,000
1956.....	797,567,893	346,625,000	322,350,000	675,292,893	146,550,000	246,919,000	702,942,893	419,825,000	1,530,036,893
Peanuts:									
1954.....	9,917,474	48,501,753	14,358,615	39,934,748	4,125,864	11,298,342	44,527,706	51,988,199	3,837,849
1955.....	4,125,864	6,120,000	9,021,864	1,224,000		3,837,849	1,592,400	5,430,249	
1956.....		55,080,000	30,600,000	24,480,000			24,810,000	12,405,000	12,405,000
Rice:									
1954.....	28,049	8,951,553	3,316,750	4,283,412	1,379,440	7,418	15,692,052	4,030,971	11,668,499
1955.....	1,379,440	29,520,000	5,081,440	25,818,000		11,668,499	137,536,501	72,645,000	76,560,000
1956.....		9,640,000	7,230,000	2,410,000		76,560,000	42,674,000	112,260,000	6,944,000
Tobacco:									
1954.....	218,623,432	118,430,504	81,556,605	1,254,850	254,242,481	1,214,749	142,350	335,031	1,022,068
1955.....	254,242,481	166,750,000	118,872,057	475,000	301,645,424	1,022,068	20,700	1,042,768	
1956.....	301,645,424	130,000,000	126,177,698	1,125,000	304,342,726				

¹ Includes set-aside of commodities as provided in the Agricultural Act of 1954, as follows: Cotton, 1 million bales; wheat, 400 million bushels.

COMMODITY CREDIT CORPORATION—SCHEDULE 2. *Loan and inventory operations*—Continued

Program, commodity, and fiscal year	Loan operations					Inventory operations			
	Loans outstanding at beginning of year	New loans made	Repayments	Collateral acquired and write-offs	Loans outstanding at end of year	Beginning inventory	Acquisitions and carrying charges	Dispositions	Ending inventory
Price support program—Con.									
Basic commodities—Con.									
Wheat:									
1954.....	\$96,725,163	\$1,063,754,771	\$95,154,476	\$867,313,445	\$198,012,013	\$1,187,484,921	\$1,159,684,072	\$376,072,675	\$1,971,096,318
1955.....	198,012,013	893,000,000	327,322,013	730,690,000	33,000,000	1,971,096,318	1,024,990,682	663,787,000	12,332,300,000
1956.....	33,000,000	618,000,000	339,900,000	278,100,000	33,000,000	2,332,300,000	492,169,000	644,969,000	12,179,500,000
Total basic:									
1954.....	1,083,518,534	2,986,813,073	524,976,153	1,290,075,935	2,255,279,519	1,604,017,225	1,792,963,226	793,438,362	2,603,542,089
1955.....	2,255,279,519	1,949,772,500	1,048,658,702	1,510,089,000	1,646,304,317	2,603,542,089	2,086,887,928	1,168,223,017	3,522,207,000
1956.....	1,646,304,317	1,633,345,000	1,036,857,698	1,281,898,893	957,892,726	3,522,207,000	1,689,135,893	1,609,457,000	3,601,885,893
Mandatory nonbasic commodities:									
Honey:									
1954.....	63,199	338,408	296,883	87,840	16,884	735,176	493,779	1,117,113	111,842
1955.....	16,884	500,000	306,884	200,000	10,000	111,842	385,858	277,700	220,000
1956.....	10,000	1,500,000	810,000	1,000,000	-----	220,000	2,216,400	1,886,400	550,000
Milk and butterfat:									
1954.....	-----	-----	-----	-----	-----	274,881,532	527,534,028	257,797,822	544,617,738
1955.....	-----	3,430,000	-----	3,430,000	-----	544,617,738	391,722,500	384,642,970	551,697,268
1956.....	-----	-----	-----	-----	-----	551,697,268	270,150,000	332,899,937	488,947,331
Tung oil:									
1954.....	1,781,503	7,855,373	464,699	1,318,848	7,853,329	-----	1,568,666	2,073	1,566,593
1955.....	7,853,329	2,968,000	72,270	7,781,059	2,968,000	1,566,593	8,291,370	4,628,593	5,229,370
1956.....	2,968,000	4,240,000	318,000	2,968,000	3,922,000	5,229,370	3,370,000	5,409,370	3,190,000
Wool:									
1954.....	9,009,575	29,982,474	8,981,299	18,718,232	11,292,518	66,576,015	28,055,610	10,999,940	83,631,685
1955.....	11,292,518	36,500,000	14,965,495	32,827,023	-----	83,631,685	34,901,779	28,760,000	89,773,464
1956.....	-----	-----	-----	-----	-----	89,773,464	1,544,915	91,318,379	-----
Total mandatory nonbasic:									
1954.....	10,854,277	38,176,255	9,742,881	20,124,920	19,162,731	342,192,723	557,652,083	269,916,948	629,927,858
1955.....	19,162,731	43,398,000	15,344,649	44,238,082	2,978,000	629,927,858	435,301,507	418,309,263	646,920,102
1956.....	2,978,000	6,040,000	1,128,000	3,968,000	3,922,000	646,920,102	277,281,315	431,514,086	492,687,331
Other:									
1954.....	43,219,914	316,848,952	122,379,862	174,842,597	62,846,407	392,526,619	402,813,984	360,588,371	434,752,232
1955.....	62,846,407	388,780,221	147,538,281	292,210,347	11,878,000	434,752,232	721,987,537	745,895,841	410,843,928
1956.....	11,878,000	416,878,750	161,261,750	257,560,000	9,935,000	410,843,928	623,700,689	603,101,200	431,443,417
Total price support program:									
1954.....	1,137,592,725	3,341,838,280	657,098,896	1,485,043,452	2,337,288,657	2,338,736,567	2,753,429,293	1,423,943,681	3,668,222,179
1955.....	2,337,288,657	2,381,950,721	1,211,541,632	1,846,537,429	1,661,160,317	3,668,222,179	3,244,176,972	2,332,428,121	4,579,971,030
1956.....	1,661,160,317	2,056,263,750	1,199,247,448	1,546,426,893	971,749,726	4,579,971,030	2,590,117,897	2,644,072,286	4,526,016,641
Supply and foreign purchase program:									
1954.....	-----	-----	-----	-----	-----	74,267,509	53,288,651	68,868,292	58,687,868
1955.....	-----	-----	-----	-----	-----	58,687,868	35,070,863	93,667,231	91,500
1956.....	-----	-----	-----	-----	-----	91,500	27,981,100	28,021,100	51,500
Storage facilities program:¹									
1954.....	24,969,516	13,539,006	7,757,070	166,328	30,585,124	-----	-----	-----	-----
1955.....	30,585,124	17,650,000	11,765,124	-----	36,470,000	-----	-----	-----	-----
1956.....	36,470,000	13,250,000	13,520,000	-----	36,200,000	-----	-----	-----	-----
Commodity export program:									
1954.....	-----	-----	-----	-----	-----	-----	107,531,341	107,531,341	-----
1955.....	-----	-----	-----	-----	-----	-----	132,000,000	132,000,000	-----
1956.....	-----	-----	-----	-----	-----	-----	123,750,000	123,750,000	-----
Loan to Secretary of Agriculture:									
1954.....	14,410,222	30,143,881	18,410,222	-----	26,143,881	-----	-----	-----	-----
1955.....	26,143,881	43,450,000	60,143,881	-----	9,450,000	-----	-----	-----	-----
1956.....	9,450,000	43,450,000	9,450,000	-----	43,450,000	-----	-----	-----	-----
Emergency feed program:²									
1954.....	-----	-----	-----	-----	-----	-----	112,246,208	111,405,349	840,859
1955.....	-----	-----	-----	-----	-----	840,859	1,483,341	2,324,200	-----
Total, all programs:									
1954.....	1,176,972,463	3,385,521,167	683,266,188	1,485,209,780	2,394,017,662	2,413,004,076	3,026,495,493	1,711,748,663	3,727,750,906
1955.....	2,394,017,662	2,443,050,721	1,283,450,637	1,846,537,429	1,707,080,317	3,727,750,906	3,412,731,176	2,560,419,552	4,580,062,530
1956.....	1,707,080,317	2,112,963,750	1,222,217,448	1,546,426,893	1,051,399,726	4,580,062,530	2,741,848,997	2,795,843,386	4,526,068,141

¹ Includes set-aside of commodities as provided in the Agricultural Act of 1954, as follows: Cotton 1 million bales; wheat, 400 million bushels.² Operation and maintenance costs applicable to owned storage structures are reflected as carrying charges on the commodities stored.³ On Nov. 16, 1953, the President directed the Corporation to supply feed at reduced prices without reimbursement from appropriated funds available at that time. Provision for reimbursing the Corporation for costs incurred is contained in this Budget. Excludes \$26,940,721 in 1954 and an estimated \$2,059,279 in 1955 (total \$29,000,000) for handling, processing, shipping, and other expenses relating to delivery of feed to disaster areas, recovered from funds appropriated by Public Law 175, approved July 31, 1953.

COMMODITY CREDIT CORPORATION—SCHEDULE 3. *Summary of operating program results*

Program, commodity, and fiscal year	Operating results							Memorandum	
	Sales proceeds	Cost of goods sold	Gross gain (or loss (-)) on sales	Donations	Loan write-offs and other program income and expenses (net)	Losses recoverable from other funds	Realized gain (or loss (-))	Increase or decrease (-) in valuation allowances	Valuation allowances as of June 30
Price support program:									
Basic commodities:									
Corn:									
1954.....	\$266,788,245	\$347,234,066	-\$80,445,821	-----	-\$57,019	-----	=\$80,502,840	\$6,545,000	\$95,662,000
1955.....	270,114,000	356,937,000	-86,823,000	-\$14,800,000	-----	-----	=101,623,000	33,263,000	128,925,000
1956.....	292,500,000	419,968,000	-127,468,000	-----	-----	-----	-127,468,000	46,515,000	175,440,000
Cotton:									
1954.....	12,826,641	13,777,420	-950,779	-----	-806,442	-----	-1,757,221	34,655,000	38,548,000
1955.....	54,618,000	53,581,000	1,037,000	-----	-561,000	-----	476,000	2,739,000	41,287,000
1956.....	409,272,000	419,825,000	-10,553,000	-----	-401,000	-----	=10,954,000	=13,089,000	28,248,000
Peanuts:									
1954.....	28,535,483	51,988,199	-23,452,716	-----	93,450	-----	=23,359,265	=7,241,000	3,050,000
1955.....	2,976,540	5,430,249	-2,453,709	-----	-28,500	-----	=2,482,209	=3,050,000	-----
1956.....	7,000,000	12,405,000	=5,405,000	-----	-----	-----	=5,405,000	5,405,000	5,405,000
Rice:									
1954.....	4,599,376	4,030,971	568,405	-----	-200	-----	568,205	655,000	655,000
1955.....	75,414,000	72,645,000	2,769,000	-----	-----	-----	2,769,000	15,675,000	16,330,000
1956.....	85,700,000	112,290,000	-26,590,000	-----	-----	-----	-26,590,000	-13,936,000	2,394,000
Tobacco:									
1954.....	293,682	335,031	-41,349	-----	-915,026	-----	-956,375	-599,000	3,575,000
1955.....	756,768	1,042,768	-286,000	-----	-675,000	-----	-961,000	-755,000	2,820,000
1956.....	-----	-----	-----	-----	-1,360,000	-----	-1,360,000	-1,125,000	1,695,000
Wheat:									
1954.....	304,792,694	376,072,675	-71,279,981	-----	-58,963	-----	=71,338,944	87,014,000	290,072,000
1955.....	540,030,000	663,787,000	-123,757,000	-----	-----	-----	-123,757,000	121,765,000	411,837,000
1956.....	472,501,000	644,969,000	-172,468,000	-----	-----	-----	-172,468,000	=5,277,000	406,560,000
Total basic:									
1954.....	617,836,121	793,438,362	-175,602,241	-----	-1,744,200	-----	-177,346,441	121,029,000	431,562,000
1955.....	943,909,308	1,153,423,017	-209,513,709	-14,800,000	-1,264,500	-----	-225,578,209	169,637,000	601,199,000
1956.....	1,266,973,000	1,609,457,000	-342,484,000	-----	-1,761,000	-----	-344,245,000	18,543,000	619,742,000
Mandatory nonbasic commodities:									
Honey:									
1954.....	1,130,927	1,117,113	13,814	-----	-5,002	-----	8,812	-----	-----
1955.....	277,700	277,700	-----	-----	-----	-----	-----	-----	-----
1956.....	1,886,400	1,886,400	-----	-----	-----	-----	-----	-----	-----
Milk and butterfat:									
1954.....	127,016,131	207,928,244	-80,912,113	-49,869,578	68,160	-----	-130,713,531	286,271,000	447,325,000
1955.....	96,882,000	138,929,653	-42,047,653	-245,713,317	¹ -54,788,400	-----	=342,549,370	30,247,000	477,572,000
1956.....	81,040,000	89,620,000	-8,580,000	-243,279,937	¹ -57,182,600	-----	-309,042,537	-10,155,000	467,417,000
Potatoes (liquidation):									
1954.....	-----	-----	-----	-----	-17,884	-----	-17,884	-----	-----
Tung oil:									
1954.....	-----	2,073	-2,073	-----	-612	-----	-2,685	1,290,000	1,308,000
1955.....	3,059,976	4,628,593	-1,568,617	-----	-----	-----	-1,568,617	933,000	2,241,000
1956.....	3,575,400	5,409,370	-1,833,970	-----	-----	-----	-1,833,970	-739,000	1,502,000
Wool:									
1954.....	10,675,397	10,999,940	-324,543	-----	-127,958	-----	-452,501	2,001,000	5,418,000
1955.....	26,240,000	28,760,000	-2,520,000	-----	-146,000	-----	² -2,666,000	1,854,000	7,272,000
1956.....	82,473,751	91,318,379	-8,844,628	-----	-----	-----	² -8,844,628	-7,272,000	-----
Total mandatory nonbasic:									
1954.....	138,822,455	220,047,370	-81,224,915	-49,869,578	-83,296	-----	-131,177,789	289,562,000	454,051,000
1955.....	126,459,676	172,595,946	-46,136,270	-245,713,317	-54,934,400	-----	-346,783,987	33,034,000	487,085,000
1956.....	168,975,551	188,234,149	-19,258,598	-243,279,937	-57,182,600	-----	-319,721,135	-18,166,000	468,919,000
Other:									
1954.....	249,541,851	360,588,371	-111,046,520	-----	93,676	-----	-110,952,844	2,643,000	151,397,000
1955.....	569,607,542	680,015,841	-110,408,299	-65,880,000	-----	-----	-176,288,299	-33,054,000	118,343,000
1956.....	497,337,650	603,101,200	-105,763,550	-----	-----	-----	-105,763,550	-19,266,000	99,077,000
Total price support program:									
1954.....	1,006,200,427	1,374,074,103	-367,873,676	-49,869,578	-1,733,820	-----	-419,477,074	413,234,000	1,037,010,000
1955.....	1,639,976,526	2,006,034,804	-366,058,278	-326,393,317	-56,198,900	-----	-748,650,495	169,617,000	1,206,627,000
1956.....	1,933,286,201	2,400,792,349	-467,506,148	-243,279,937	-58,943,600	-----	-769,729,685	-18,889,000	1,187,738,000

¹ Sec. 201 of the Agricultural Act of 1949, as amended, provides that beginning Sept. 1, 1954, and ending June 30, 1956, not to exceed \$50,000,000 annually of funds of the CCC shall be used to increase the consumption of fluid milk by children in nonprofit schools of high school grade and under. In addition, under authority of sec. 202 of this act, as amended, the Corporation partially reimburses the Veterans' Administration and the Armed Services for purchases of fluid milk in addition to their usual purchases.

² The Agricultural Act of 1954 provides that price support may be available on wool and mohair by means of payments for which CCC will be reimbursed from subsequent appropriations not to exceed 70 percent of the gross customs receipts collected during the preceding calendar year on wool and mohair and products thereof. Losses shown on this schedule do not include such reimbursable expenditures.

COMMODITY CREDIT CORPORATION—SCHEDULE 3. *Summary of operating program results—Continued*

Program, commodity, and fiscal year	Operating results							Memorandum	
	Sales proceeds	Cost of goods sold	Gross gain (or loss (-)) on sales	Donations	Loan write-offs and other program income and expenses (net)	Losses recoverable from other funds	Realized gain (or loss (-))	Increase or decrease (-) in valuation allowances	Valuation allowances as of June 30
Supply and foreign purchase program:									
1954.....	\$54,940,868	\$68,868,292	—\$13,927,424		\$1,837,957	\$13,816,380	\$1,726,913		
1955.....	54,201,695	93,667,231	—39,465,536			39,617,477	151,941		
1956.....	28,028,476	28,021,100	7,376			18,200	25,576		
Storage facilities program: ³									
1954.....					231,341		231,341		
1955.....					—620,000		—620,000		
1956.....					—575,000		—575,000		
Commodity export program:									
1954.....	81,443,847	107,531,341	—26,087,494				—26,087,494		
1955.....	93,500,000	132,000,000	—38,500,000				—38,500,000		
1956.....	93,500,000	123,750,000	—30,250,000				—30,250,000		
Subsidy program (liquidation): 1954.....					—107,991		—107,991		
Emergency feed program: ⁴									
1954.....	70,072,512	111,405,349	—41,332,837				—41,332,837		
1955.....	1,557,037	2,324,200	—767,163				—767,163		
1956.....						42,100,000	42,100,000		
Total all programs:									
1954.....	1,212,657,654	1,661,879,085	—449,221,431	—\$49,869,578	227,487	13,816,380	—485,047,142	\$413,234,000	\$1,037,010,000
1955.....	1,789,235,258	2,234,026,235	—444,790,977	—326,393,317	—56,818,900	39,617,477	—788,385,717	169,617,000	1,206,627,000
1956.....	2,054,814,677	2,552,563,449	—497,748,772	—243,279,937	—59,518,600	42,118,200	—758,429,109	—18,889,000	1,187,738,000

³ Operation and maintenance costs applicable to owned storage structures are reflected as carrying charges on the commodities stored.

⁴ On Nov. 16, 1953, the President directed the Corporation to supply feed at reduced prices without reimbursement from appropriated funds available at that time. Provision for reimbursing the Corporation for costs incurred is contained in this budget. Excludes \$26,940,721 in 1954 and an estimated \$2,059,279 in 1955 (total \$29,000,000) for handling, processing, shipping, and other expenses relating to delivery of feed to disaster areas, recovered from funds appropriated by Public Law 175, approved July 31, 1953.

COMMODITY CREDIT CORPORATION—SCHEDULE 4. *Analysis of retained earnings and results of Treasury appraisals*

PART 1. ANALYSIS OF RETAINED EARNINGS

	Cumulative Oct. 17, 1933, to June 30, 1953	1954 fiscal year actual		1955 fiscal year estimate		1956 fiscal year estimate	
		Year	Cumulative	Year	Cumulative	Year	Cumulative
Net operating loss (-), excluding cost of wartime consumer subsidy program.....	—\$1,686,706,473	—\$1,001,020,863	—\$2,687,727,336	—\$1,029,300,000	—\$3,717,027,336	—\$819,750,000	—\$4,536,777,336
Adjustments for recovery of price support losses:							
Charges to reserve for postwar price support.....	500,000,000		500,000,000		500,000,000		500,000,000
Recovery from Secretary of the Treasury ¹	56,239,432		56,239,432		56,239,432		56,239,432
Net operating loss (-), excluding cost of wartime consumer subsidy program.....	—1,130,467,041	—1,001,020,863	—2,131,487,904	—1,029,300,000	—3,160,787,904	—819,750,000	—3,980,537,904
Cost (-) of wartime consumer subsidy program.....	—2,101,987,195	—107,991	—2,102,095,186		—2,102,095,186		—2,102,095,186
Net restoration of capital from Treasury as determined by Treasury appraisals (see part 2).....	2,494,919,662	646,357,009	3,141,276,671		3,141,276,671	1,634,659	3,142,911,330
Deficit (-).....	² —737,534,574	—354,771,845	—1,092,306,419	—1,029,300,000	—2,121,606,419	—818,115,341	—2,939,721,760

¹ Pursuant to the Foreign Aid Act of 1947 (Public Law 389, approved Dec. 17, 1947) and Third Supplemental Appropriation Act, 1948 (Public Law 393, approved Dec. 23, 1947).

² Of this amount, \$36,205,161, representing the deficit as of June 30, 1952, as appraised by the Treasury, was restored on July 28, 1953, and \$550,151,848, of the \$563,589,667 deficit as of June 30, 1953, as appraised by the Treasury, was restored on Feb. 12, 1954.

COMMODITY CREDIT CORPORATION—SCHEDULE 4. *Analysis of retained earnings and results of Treasury appraisals*—Continued

PART 2. RESULTS OF TREASURY APPRAISALS

Appraisal period	Restoration of capital impairment as determined by appraisal		Analysis of capital impairment	
	Cumulative	Appraisal period	CCC program and operating expenses, exclud- ing wartime consumer sub- sidies	Wartime con- sumer subsidies
Oct. 17, 1933–Mar. 31, 1938.....	\$94, 285, 405	\$94, 285, 405	\$94, 285, 405	
Year ending Mar. 31:				
1939.....	213, 885, 323	119, 599, 918	119, 599, 918	
1940.....	170, 128, 592	–43, 756, 731	–43, 756, 731	
1941.....	171, 766, 037	1, 637, 445	1, 637, 445	
1942.....	143, 950, 524	–27, 815, 513	–30, 615, 513	³ \$2, 800, 000
1943.....	143, 950, 524	(4)	(4)	(4)
1944.....	400, 715, 405	256, 764, 881	–151, 657, 230	408, 422, 111
15 months ending June 30, 1945 ⁴	1, 322, 171, 966	921, 456, 561	45, 222, 906	876, 233, 655
Year ending June 30:				
1946.....	1, 964, 004, 046	641, 832, 080	–208, 705, 074	850, 537, 154
1947.....	1, 946, 310, 554	–17, 693, 492	12, 081, 998	–29, 775, 490
1948.....	1, 897, 367, 544	–48, 943, 010	–44, 917, 881	–4, 025, 129
1949.....	1, 964, 066, 001	66, 698, 457	68, 934, 239	–2, 235, 782
1950.....	2, 385, 528, 508	421, 462, 507	421, 349, 156	113, 351
1951.....	2, 494, 919, 662	109, 391, 154	109, 132, 783	258, 371
1952.....	2, 591, 124, 823	96, 205, 161	96, 471, 584	–266, 423
1953.....	3, 141, 276, 671	550, 151, 848	550, 226, 471	–74, 623
1954 estimate ⁵	3, 142, 911, 330	1, 634, 659	1, 526, 668	107, 991
Net impairment, Commodity Credit Corporation programs and operating expenses.....			1, 040, 816, 144	
Net impairment, wartime consumer subsidies.....				2, 102, 095, 186

³ Estimated amount applicable to appraisal period.⁴ The impairment of \$39,436,885 for the appraisal period ending Mar. 31, 1943, was not restored until after the following year's appraisal and is included in the amount shown for 1944 appraisal period.⁵ The act of Mar. 8, 1938, as amended by the act approved Apr. 12, 1945, changed the date of appraisal to June 30 of each year. Therefore, the impairment as of June 30, 1945, covers a 15-month period.⁶ The act of Mar. 8, 1938, as amended by the act of Mar. 20, 1954, changed the annual appraisal of the assets of the Corporation to a cost basis. Restorations of capital impairment through June 30, 1953, included \$545,534,182 of estimated losses as well as the losses realized during that period. Therefore the estimate represents the difference between the total unrestored realized losses in the fiscal year 1954 and the amount of estimated losses for which restoration has been made.COMMODITY CREDIT CORPORATION—SCHEDULE 5. *Position with respect to statutory borrowing authority*
(as of June 30, 1953, 1954, 1955, and 1956)

	1953 actual	1954 actual	1955 estimate	1956 estimate
Statutory borrowing authority.....	\$6, 750, 000, 000	\$8, 500, 000, 000	\$10, 000, 000, 000	\$10, 000, 000, 000
Deduct: Statutory obligations:				
Notes payable, U. S. Treasury.....	\$3, 612, 000, 000	\$4, 180, 000, 000	\$6, 339, 000, 000	\$7, 352, 000, 000
Obligations to purchase commodity loans held by lending agencies:				
Certificates of interest (pooled certificates and regular cotton certificates).....		1, 503, 551, 553	1, 116, 567, 893	390, 275, 000
Individual loans.....	283, 196, 676	498, 632, 407	429, 770, 000	468, 243, 000
Obligation for guaranty of storage facility and equipment loans held by lending agencies.....	4, 770, 398	5, 326, 444	6, 357, 000	6, 313, 000
Total statutory obligations.....	3, 899, 967, 074	6, 187, 510, 404	7, 891, 694, 893	8, 216, 831, 000
Net statutory borrowing authority avail- able.....	2, 850, 032, 926	2, 312, 489, 596	2, 108, 305, 107	1, 783, 169, 000

LIMITATION ON EXPENSES

Administrative Expenses, Commodity Credit Corporation

Commodity Credit Corporation: Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed **[\$18,000,000]** \$26,000,000 shall be available for administrative expenses of the Corporation: *Provided further*, That \$934,914 of this authorization shall be placed in reserve to be apportioned pursuant to Section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal

services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof. (7 U. S. C. 624, 1282, 1301, 1385, 1391c, 1421–1450, 1641–1642; 15 U. S. C. 712a, 713a–4–10, 714–714o; 31 U. S. C. 841, 846–852, 866–868c, 869; 50 U. S. C. 1917; 67 Stat. 358; Act of January 30, 1954, Public Law 290; Act of March 20, 1954, Public Law 312; Act of May 11, 1954, Public Law 357; Act of July 10, 1954, Public Law 480; Act of July 26, 1954, Public Law 524; Act of July 29, 1954, Public Law 554; Act of August 26, 1954, Public Law 665; Act of August 28, 1954, Public Law 690; Act of August 31, 1954, Public Law 754; Act of September 1, 1954, Public Law 765; Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

AMOUNTS AVAILABLE FOR ADMINISTRATIVE EXPENSES

	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
Limitation or estimate.....	\$20,000,000	\$18,000,000	\$26,000,000
Proposed supplemental due to increased volume of operations.....		7,290,000	
Unobligated balance, not available for subsequent use.....	-249,819		
Total direct administrative expenses.....	19,750,181	25,290,000	26,000,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
Rendered to Department of Agriculture appropriations (distributed by objects under reimbursing appropriations).....	5,045,366	4,602,981	4,668,060
Rendered other appropriations (distributed by objects included in this schedule).....	1,537,874	1,292,395	1,476,300
Total obligations payable out of reimbursements from other accounts.....	6,583,240	5,895,376	6,144,360
Total administrative expenses.....	26,333,421	31,185,376	32,144,360
Deduct reimbursements rendered Department of Agriculture appropriations.....	5,045,366	4,602,981	4,668,060
Total administrative expenses incurred.....	21,288,055	26,582,395	27,476,300

ADMINISTRATIVE EXPENSES BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Price support program.....	\$18,650,796	\$23,877,000	\$23,460,086
2. Storage facilities program.....	1,084,181	1,298,000	1,390,000
3. Commodity export program.....	13,639	115,000	215,000
4. Subsidy program (in liquidation).....	1,565		
Contingency reserve.....			934,914
Total direct administrative expenses.....	19,750,181	25,290,000	26,000,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
1. Supply and foreign purchase program.....	722,238	643,000	350,000
2. Emergency feed program.....	536,683	157,000	
3. International wheat agreement.....	251,093	282,295	282,300
4. National Wool Act.....		199,000	844,000
5. Miscellaneous reimbursements.....	27,860	11,100	
Total obligations payable out of reimbursements from other accounts.....	1,537,874	1,292,395	1,476,300
Total administrative expenses.....	21,288,055	26,582,395	27,476,300

ADMINISTRATIVE EXPENSES BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
COMMODITY STABILIZATION SERVICE			
<i>Summary of Personal Services</i>			
Direct positions:			
Total number of permanent positions.....	5,195	5,085	5,067
Full-time equivalent of all other positions.....	35	64	64
Average number of all employees.....	3,545	4,604	4,528
Number of employees at end of year.....	4,126	4,870	4,760
Positions payable out of reimbursements from other accounts:			
Total number of permanent positions.....	277	230	146
Average number of all employees.....	253	188	134
Number of employees at end of year.....	229	176	109
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,053	\$4,151	\$4,177
Average grade.....	GS-4.9	GS-5.2	GS-5.2
Personal service obligations:			
Permanent positions.....	\$15,576,005	\$19,609,423	\$19,300,185
Positions other than permanent.....	191,686	313,418	314,211
Regular pay in excess of 52-week base.....	63,562	74,044	72,798
Payment above basic rates.....	732,498	548,368	261,283
Total personal service obligations.....	16,563,751	20,545,253	19,948,477
<i>Direct Obligations</i>			
01 Personal services.....	15,343,650	19,568,064	19,238,708
02 Travel.....	774,745	1,289,640	1,272,030
03 Transportation of things.....	110,934	116,320	112,820
04 Communication services.....	555,743	661,170	657,670

ADMINISTRATIVE EXPENSES BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
COMMODITY STABILIZATION SERVICE—con.			
<i>Direct Obligations—Continued</i>			
05 Rents and utility services.....	\$1,086,910	\$1,309,970	\$1,300,020
06 Printing and reproduction.....	513,522	557,590	552,780
07 Other contractual services.....	202,550	200,520	198,480
Services performed by other agencies.....	861,964	711,794	804,294
08 Supplies and materials.....	223,606	275,700	273,290
09 Equipment.....		2,500	2,500
13 Refunds, awards, and indemnities.....	2,946	15,900	15,900
15 Taxes and assessments.....	73,611	151,882	142,394
Contingency reserve.....			934,914
Total direct administrative expenses.....	19,750,181	24,861,050	25,505,800
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	1,220,101	977,189	709,760
02 Travel.....	107,981	71,141	76,116
03 Transportation of things.....	5,308	4,050	3,566
04 Communication services.....	81,051	33,581	30,180
05 Rents and utility services.....	18,202	14,004	9,964
06 Printing and reproduction.....	9,098	9,769	7,004
07 Other contractual services.....	3,778	7,374	7,745
Services performed by other agencies.....	72,866	164,384	621,573
08 Supplies and materials.....	15,275	6,580	6,219
09 Equipment.....	499	1,591	2,204
13 Refunds, awards, and indemnities.....	60	328	178
15 Taxes and assessments.....	3,655	2,404	1,782
Total obligations payable out of reimbursements from other accounts.....	1,537,874	1,292,395	1,476,300
Total administrative expenses.....	21,288,055	26,153,445	26,982,100
ALLOCATION TO AGRICULTURAL MARKETING SERVICE			
Total number of permanent positions.....		64	64
Average number of all employees.....		67	76
Number of employees at end of year.....		63	63
Average salaries and grades:			
General schedule grades:			
Average salary.....		\$5,129	\$5,154
Average grade.....		GS-7.5	GS-7.5
01 Personal services:			
Permanent positions.....		\$346,750	\$398,082
Regular pay in excess of 52-week base.....		1,100	1,375
Payment above basic rates.....		1,650	1,643
Total personal services.....		349,500	401,100
02 Travel.....		47,700	56,400
03 Transportation of things.....		150	150
04 Communication services.....		9,500	12,100
05 Rents and utility services.....		500	500
06 Printing and reproduction.....		6,500	6,800
07 Other contractual services.....		5,500	6,800
08 Supplies and materials.....		8,700	9,450
13 Refunds, awards, and indemnities.....		200	200
15 Taxes and assessments.....		700	700
Obligations incurred.....		428,950	494,200
SUMMARY			
<i>Summary of Personal Services</i>			
Direct positions:			
Total number of permanent positions.....	5,195	5,149	5,131
Full-time equivalent of all other positions.....	35	64	64
Average number of all employees.....	3,545	4,671	4,604
Number of employees at end of year.....	4,126	4,933	4,526
Positions payable out of reimbursements from other accounts:			
Total number of permanent positions.....	277	230	146
Average number of all employees.....	253	188	134
Number of employees at end of year.....	229	176	109
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,053	\$4,151	\$4,177
Average grade.....	GS-4.9	GS-5.2	GS-5.2
Personal service obligations:			
Permanent positions.....	\$15,576,005	\$19,956,173	\$19,698,267
Positions other than permanent.....	191,686	313,418	314,211
Regular pay in excess of 52-week base.....	63,562	75,144	74,173
Payment above basic rates.....	732,498	550,018	262,926
Total personal service obligations.....	16,563,751	20,894,753	20,349,577
<i>Direct Obligations</i>			
01 Personal services.....	15,343,650	19,917,564	19,639,808
02 Travel.....	774,745	1,337,340	1,328,430
03 Transportation of things.....	110,934	116,470	112,970

PUBLIC ENTERPRISE FUNDS—Continued
COMMODITY CREDIT CORPORATION—Continued

ADMINISTRATIVE EXPENSES BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
SUMMARY—continued			
<i>Direct Obligations—Continued</i>			
04 Communication services.....	\$555,743	\$670,670	\$669,770
05 Rents and utility services.....	1,086,910	1,310,470	1,300,520
06 Printing and reproduction.....	513,522	564,090	559,580
07 Other contractual services.....	202,550	206,020	205,280
Services performed by other agencies.....	861,964	711,794	804,294
08 Supplies and materials.....	223,606	284,400	282,740
09 Equipment.....		2,500	2,500
13 Refunds, awards, and indemnities.....	2,946	16,100	16,100
15 Taxes and assessments.....	73,611	152,582	143,094
Contingency reserve.....			934,914
Total direct administrative expenses.....	19,750,181	25,290,000	26,000,000
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
01 Personal services.....	1,220,101	977,189	709,769
02 Travel.....	107,981	71,141	76,116
03 Transportation of things.....	5,308	4,050	3,566
04 Communication services.....	81,051	32,581	30,180
05 Rents and utility services.....	18,202	14,004	9,964
06 Printing and reproduction.....	9,098	9,769	7,004
07 Other contractual services.....	3,778	7,374	7,745
Services performed by other agencies.....	72,866	164,384	621,573
08 Supplies and materials.....	15,275	6,580	6,219
09 Equipment.....	499	1,591	2,204
13 Refunds, awards, and indemnities.....	60	328	178
15 Taxes and assessments.....	3,655	2,404	1,782
Total obligations payable out of reimbursements from other accounts.....	1,537,874	1,292,395	1,476,300
Total administrative expenses.....	21,288,055	26,582,395	27,476,300

FEDERAL CROP INSURANCE CORPORATION

[Submitted under the Government Corporation Control Act]

NOTE.—Operating and administrative expenses of the Corporation are financed primarily by general fund appropriation and shown under current authorizations.

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year [1955] 1956 for such corporation or agency, except as hereinafter provided:

Federal Crop Insurance Corporation: *Provided*, That the direct costs of loss adjusters for crop inspections and loss adjustments may be considered as nonadministrative or nonoperating expenses: *Provided further*, That not to exceed \$1,500,000 of administrative and operating expenses may be paid from premium income. (Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.)

Capital and Insurance Fund, Federal Crop Insurance Corporation

PROGRAM HIGHLIGHTS

[Dollars in thousands]

	Fiscal year 1954 (crop year 1953), actual	Fiscal year 1955 (crop year 1954), estimate	Fiscal year 1956 (crop year 1955), estimate
Number of county programs.....	922	884	900
Number of commodities insured.....	38	34	34
Number of contracts in force.....	406,630	346,900	380,000
Number of farmers insured.....	419,205	369,700	410,000
Estimated insurance coverage.....	\$437,512	\$353,470	\$431,429
Premiums.....	\$27,105	\$23,024	\$29,260
Indemnities.....	\$31,062	\$28,146	\$23,718
Loss ratio.....	1.15	1.22	.81

PURPOSE AND FINANCIAL ORGANIZATION

The Federal Crop Insurance Corporation furnishes protection for the farmer's investment in producing crops against loss from unavoidable causes (7 U. S. C. 1501-1519). Insurance programs are conducted on a limited basis to develop the experience necessary for

operation of a sound all-risk crop insurance plan on a national basis.

Capital stock of \$100 million is authorized to be subscribed by the United States (7 U. S. C. 1504, 1504a). The Secretary of the Treasury holds receipts for \$27 million of the authorized capital stock, leaving \$73 million unissued.

Appropriations up to \$12 million a year are authorized for administrative and operating expenses; such appropriations and expenses charged thereto are not shown in the business-type statements of the Corporation. Beginning with fiscal year 1955, the direct costs of adjusters performing loss adjustments and crop inspections are charged to premium income instead of to appropriations. Beginning with fiscal year 1956, it is also planned that administrative expenses in excess of appropriated funds will be paid from premium income.

ANALYSIS OF BUDGET PROGRAMS

Contracts in force.—There will be 950 county programs in effect for crop year 1956 furnishing coverage on barley, beans, citrus, corn, cotton, flax, multiple crops, soybeans, tobacco, and wheat. It is estimated that total participation will be 470,000 contracts in force, an increase of 90,000 over the workload of 380,000 contracts planned for the 1955 crop year.

Administrative and operating expense.—Although insurance programs are developed and analyzed in the headquarters office they are administered in the field by 20 Federal Crop Insurance Corporation State or area offices. Sales and servicing of contracts at the county level is being performed by private agents under contractual agreements with the Corporation. The 1956 fiscal year budget provides for two additional State offices. Loss adjustments and crop inspections are performed by individuals employed by the Corporation on an intermittent basis, compensated on a per diem basis. Program accounting and contract servicing functions are performed by the branch office in Chicago.

The 1956 estimates contemplate administrative expenses of \$6 million payable from appropriations, and \$1.5 million payable from premium income, compared to \$6 million in 1955 all payable from appropriations. The estimates contemplate loss adjustment and inspection costs of \$1,116,000 for 1956 compared with \$1,044,000 for 1955, also payable from premium income.

FINANCING OPERATIONS

The 1953 crop year program resulted in net budgetary expenditures of \$5,912,186 in the 1954 fiscal year. It is estimated that the 1954 crop year will result in net budgetary expenditures of \$5,297,021 in the 1955 fiscal year. The 1955 crop year program is expected to result in net budgetary receipts of \$3,692,417 in the fiscal year 1956.

OPERATING RESULTS AND RETAINED EARNINGS

Fiscal year 1954.—The financial experience of the Corporation for the 1953 crop year was in line with prevailing crop conditions which resulted in heavy losses on wheat in the Southwest and tobacco in the Southeast, caused by one of the worst drought conditions in history. Extensive damage from rust also occurred to the spring wheat crop in the Dakotas, where crop insurance participation was concentrated. A total of 80,000 claims was paid, amounting to \$31 million, which exceeded premium income by \$4 million. For the first time since the Corporation

offered insurance protection on tobacco in 1945, indemnities exceeded the premium income for that crop.

Fiscal year 1955.—Based on current estimates, the outlook for the 1954 crop year is worse. While expectations for a tobacco crop are much better than they were in 1953, the severity of the drought has increased in the Southwest wheat areas and rust damage is again a potential threat in the Dakotas. It is now estimated that indemnity costs and direct costs of loss adjusters will exceed premium income by approximately \$6.3 million.

Fiscal year 1956.—While an accurate prediction of crop conditions cannot be made at this time for the 1955 crop year (fiscal year 1956), it is anticipated that earned premiums will exceed by approximately \$2.75 million the cost of indemnities, direct costs of loss adjusters, and \$1.5 million in administrative expenses.

Retained earnings.—The losses for fiscal years 1954 and 1955 are resulting in a change from almost \$2 million of retained earnings to a cumulative deficit of \$8.5 million. If a favorable insurance experience occurs for fiscal year 1956 as here estimated, the deficit will be reduced to \$5.7 million at the end of that year.

The following table summarizes insurance operations for the 1954, 1955, and 1956 fiscal years:

SUMMARY OF INSURANCE OPERATIONS

	1954 actual		1955 estimate (1954 crop year)	1956 estimate (1955 crop year)
	Prior crop year adjustments	(1953 crop year)		
Beans:				
Premiums.....	—\$7	\$230,565	\$194,700	\$273,600
Indemnities.....	—481	142,184	350,100	221,600
Profit or loss (—).....	474	88,381	—155,400	52,000
Citrus:				
Premiums.....		62,697	105,400	155,000
Indemnities.....				125,500
Profit.....		62,697	105,400	29,500

SUMMARY OF INSURANCE OPERATIONS—continued

	1954 actual		1955 estimate (1954 crop year)	1956 estimate (1955 crop year)
	Prior crop year adjustments	(1953 crop year)		
Corn:				
Premiums.....	—\$520	\$1,663,750	\$1,361,500	\$1,555,000
Indemnities.....	236	277,946	1,004,300	1,259,600
Profit or loss (—).....	—756	1,385,804	357,200	295,400
Cotton:				
Premiums.....	—1,475	2,353,603	1,486,100	1,622,600
Indemnities.....	—285	2,456,672	1,083,600	1,314,300
Profit or loss (—).....	—1,190	—103,069	402,500	308,300
Flax:				
Premiums.....	—159	\$24,491	939,000	1,386,800
Indemnities.....	15	786,595	744,700	1,314,300
Profit or loss (—).....	—174	37,896	194,300	263,500
Multiple crops:				
Premiums.....	—2,850	3,863,103	3,605,800	3,389,800
Indemnities.....	—1,885	3,456,550	1,822,900	2,745,700
Profit or loss (—).....	—965	357,553	—1,217,100	644,100
Tobacco:				
Premiums.....	—2,232	2,028,750	2,351,100	2,452,600
Indemnities.....	—1,837	3,851,694	1,854,500	1,745,600
Profit or loss (—).....	—395	—1,822,944	496,600	466,000
Wheat:				
Premiums.....	—4,851	16,077,991	12,980,600	18,067,600
Indemnities.....	910	20,040,917	18,285,700	14,652,200
Profit or loss (—).....	—5,761	—3,962,926	—5,305,100	3,415,400
Soybeans:				
Premiums.....				357,000
Indemnities.....				289,200
Profit.....				67,800
Premium surplus or deficit (—).....	—8,767	—3,956,608	—5,121,600	5,542,000
Direct cost of loss adjusters (—).....			—1,044,000	—1,116,000
Administrative expenses chargeable to premium income (—).....				—1,500,000
Other expense (—), net.....	—111,919		—155,000	—192,000
Net income or loss (—).....	—4,077,294		—6,320,600	2,734,000

FEDERAL CROP INSURANCE CORPORATION—A. Statement of sources and application of funds

	1954 actual	1955 estimate	1956 estimate
FUNDS APPLIED			
To operations			
Expenses: ¹			
Indemnities.....	\$31,059,733	\$28,145,800	\$23,718,000
Loss adjustment and inspection costs.....		1,044,000	1,116,000
Chargeoff of premiums and other receivables.....	374,913	200,000	200,000
Administrative expenses charged to program operations.....			1,500,000
Increase in selected working capital.....	1,730,979		
Total applied to operations.....	\$33,165,625	\$29,389,800	\$26,534,000
To financing			
Increase in Treasury cash.....			3,692,417
Total funds applied.....	33,165,625	29,389,800	30,226,417
FUNDS PROVIDED			
By operations			
Income:			
Insurance premiums.....	27,089,740	23,024,200	29,260,000
Interest on premium notes.....	163,045	75,000	100,000
Other income.....	654		
Decrease in selected working capital.....		993,579	\$66,417
Total provided by operations.....	27,253,439	24,092,779	30,226,417
By financing			
Decrease in Treasury cash.....	5,912,186	5,297,021	
Total funds provided.....	33,165,625	29,389,800	30,226,417

FEDERAL CROP INSURANCE CORPORATION—A. *Statement of sources and application of funds*—Continued

EFFECT ON BUDGET EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Funds applied to operations.....	\$33,165,625	\$29,389,800	\$26,534,000
Funds provided by operations.....	27,253,439	24,092,779	30,226,417
Net effect on budget expenditures.....	5,912,186	5,297,021	-3,692,417
The above are charged or credited (—) to receipts of the enterprise.....	5,912,186	5,297,021	-3,692,417

¹ Does not include funds appropriated annually for administrative expenses.FEDERAL CROP INSURANCE CORPORATION—B. *Statement of income and expense*

	1954 actual	1955 estimate	1956 estimate
Income:			
Insurance premiums.....	\$27,089,740	\$23,024,200	\$29,260,000
Interest on premium notes.....	163,045	75,000	100,000
Other income.....	654		
Total income.....	\$27,253,439	\$23,099,200	\$29,360,000
Expenses:¹			
Indemnities.....	31,059,733	28,145,800	23,718,000
Loss adjustment and inspection costs.....		1,044,000	1,116,000
Chargeoff of premiums and other receivables.....	374,913	200,000	200,000
Administrative expenses charged to program operations.....			1,500,000
Increase or decrease (—) in allowance for losses on premiums and other receivables.....	-103,913	30,000	92,000
Total expenses.....	31,330,733	29,419,800	26,626,000
Net income or loss (—) for the year.....	-4,077,294	-6,320,600	2,734,000

ANALYSIS OF RETAINED EARNINGS (OR DEFICIT (—))

Retained earnings or deficit (—), beginning of year.....	\$1,946,521	-\$2,130,773	-\$8,451,373
Net income or loss (—) for the year.....	-4,077,294	-6,320,600	2,734,000
Deficit (—), end of year.....	-2,130,773	-8,451,373	-5,717,373

¹ Does not include funds appropriated annually for administrative expenses.FEDERAL CROP INSURANCE CORPORATION—C. *Statement of financial condition*

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1953 actual	1954 actual	1955 estimate	1956 estimate
ASSETS				
Cash:				
With Treasury.....	\$32,421,035	\$26,508,849	\$21,211,828	\$24,904,245
On hand and in transit.....	200	175		
Total cash.....	32,421,235	26,509,024	21,211,828	24,904,245
Premiums and other receivables	8,435,031	7,776,952	8,790,016	10,100,799
Less allowance for losses.....	2,505,930	2,402,017	2,432,017	2,524,017
Net receivables.....	5,929,101	5,374,935	6,357,999	7,576,782
Total assets.....	38,350,336	31,883,959	27,569,827	32,481,027
LIABILITIES				
Indemnities and other payables	204,136	65,430	100,000	100,000
Deferred credits	9,174,679	6,874,302	8,846,200	11,023,400
Other liabilities:				
Provision for surety losses.....	25,000	75,000	75,000	75,000
Total liabilities.....	9,403,815	7,014,732	9,021,200	11,198,400

FEDERAL CROP INSURANCE CORPORATION—C. *Statement of financial condition—Continued*

	1953 actual	1954 actual	1955 estimate	1956 estimate
INVESTMENT OF U. S. GOVERNMENT				
Non-interest-bearing investment:				
Capital stock.....	\$27,000,000	\$27,000,000	\$27,000,000	\$27,000,000
Retained earnings or deficit (—):				
Insurance reserves:				
Beans.....	—345,612	—260,412	—415,812	—363,812
Citrus.....	135,178	197,875	303,275	332,775
Corn.....	236,207	1,575,690	1,932,890	2,228,290
Cotton.....	—2,386,841	—2,517,640	—2,115,140	—1,806,840
Flax.....	1,726,122	1,752,133	1,946,433	2,209,933
Multiple crops.....	—5,044,476	—4,732,102	—5,949,202	—5,305,102
Soybeans.....				67,800
Tobacco.....	2,346,101	500,079	996,679	1,462,679
Wheat.....	5,583,460	1,302,865	—4,002,235	—586,835
Undistributed.....	—303,618	50,739	—1,148,261	—3,956,261
Total retained earnings or deficit (—).....	1,946,521	—2,130,773	—8,451,373	—5,717,373
Total investment of U. S. Government.....	28,946,521	24,869,227	18,548,627	21,282,627
Total liabilities and investment of U. S. Government.....	38,350,336	31,883,959	27,569,827	32,481,027

NOTE.—Selected working capital (other than cash with Treasury) included above is as follows: June 30, 1953, —\$968,584; 1954, \$762,395; 1955, —\$231,184; 1956, —\$1,097,601.

Excludes contingent liabilities representing actual and estimated insurance coverage on 1953, 1954, 1955, and 1956 crops in the following amounts: June 30, 1953, \$437,512,000; 1954, \$353,470,000; 1955, \$431,429,000; 1956, \$533,605,000.

SCHEDULE A-1. *Accrued expenditures by objects*

Object classification	1954 actual	1955 estimate	1956 estimate
Total number of permanent positions.....			34
Full-time equivalent of all other positions.....		190	253
Average number of all employees.....		190	285
Number of employees at end of year.....		502	629
Average salaries and grades:			
General schedule grades:			
Average salary.....		\$3,410	\$3,581
Average grade.....		GS-5.0	GS-4.6
01 Personal services:			
Permanent positions.....			\$117,188
Positions other than permanent.....		\$649,200	860,602
Regular pay in excess of 52-week base.....			400
Total personal services.....		649,200	978,190
02 Travel.....		381,700	470,600
03 Transportation of things.....			8,200
04 Communication services.....			24,950
05 Rents and utility service.....			24,000
06 Printing and reproduction.....			37,400
07 Other contractual services.....			23,925
Agents commissions.....			990,245
Services performed by other agencies.....			20,000
08 Supplies and materials.....			6,200
09 Equipment.....			15,000
13 Refunds, awards, and indemnities.....	\$31,059,733	28,145,800	23,718,000
15 Taxes and assessments.....		13,100	17,290
Total accrued expenditures.....	31,059,733	29,189,800	26,334,000

FARMERS HOME ADMINISTRATION

BUDGETARY AUTHORIZATION SCHEDULES

Disaster Loans, Etc., Revolving Fund, Department of Agriculture

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

Appropriation or estimate (obligations incurred)—1954, \$130,000,000.

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

Obligations incurred during the year (total expenditures out of current authorizations paid into revolving fund)—1954, \$130,000,000.

BUSINESS-TYPE STATEMENTS

PROGRAM AND PERFORMANCE

The Disaster Loan Revolving Fund was created in 1949 by the transfer of the assets of the Regional Agricultural Credit Corporation of Washington which was abolished. Its principal of \$75.5 million was increased by \$130 million additional appropriations in fiscal year 1954, for the purposes of the newer types of loans then authorized. The fund has been used for seven programs recently.

1. *Production disaster loans.*—The principal original purpose of the fund was to provide emergency loans to farmers and stockmen suffering production disasters, when the Secretary determines that the area involved has suffered a production disaster and that agricultural credit is not readily available from other sources (11 U. S. C. 1148). Loans are made at 3 percent interest. These are now running \$30 to \$32 million a year.

2. *Economic disaster loans.*—Under Public Law 115, approved July 14, 1953, loans are made at 3 percent interest in any economic disaster area declared by the President, if the economic disaster has caused a need for agricultural credit that cannot be met temporarily by regularly established lending institutions. Such loans, which were \$26 million in 1954, are estimated at \$15 million for 1955 and \$10 million for 1956.

3. *Special livestock loans.*—For 2 years after July 14, 1953, loans may be made at 5 percent interest to established livestock producers who are temporarily unable to get credit from recognized lenders and who have a reasonable chance of working out their difficulties with supplementary financing. This program, which was substantial in 1954 and 1955, will be minor in 1956 with the expiration of the law.

4. *Special emergency loans.*—Public Law 727, approved August 31, 1954, authorizes, until June 30, 1955, special

PUBLIC ENTERPRISE FUNDS—Continued**FARMERS HOME ADMINISTRATION—Continued***Disaster Loans, Etc., Revolving Fund, Department of Agriculture—Con.*

emergency loans up to a total of \$15,000,000, to be made in areas where the Secretary finds a need for credit which cannot be met through other means.

5. *Other loans.*—The fund is available for loans at 5 per cent interest to bona fide fur farmers where necessary to protect the Government's interest in existing loans which had been made by the Regional Agricultural Credit Corporation or other authorities.

6. *Emergency feed assistance.*—Public Law 115, approved July 14, 1953, authorized feed for livestock or seeds for planting to be furnished to established farmers, ranchers, or stockmen in connection with major disasters. During fiscal year 1954, feed concentrates, principally cottonseed meal, corn, wheat, oats, and mixed feeds, were furnished at less than market cost to eligible persons in designated areas through the facilities of the Commodity Stabilization Service and special State and local drought committees. The losses on sales incurred by the Commodity Credit Corporation are to be financed through a separate appropriation. However, the disaster loan revolving fund bears the costs of freight, distribution, processing, and handling. Such costs amounted to \$29 million, none of which is reimbursable to the fund.

7. *Drought relief hay program.*—During fiscal year 1955, as in 1954, agreements are being executed with drought disaster States to assist them in furnishing hay to eligible farmers. Under these agreements the Government contributes, from this fund, one-half the cost of transportation, not to exceed \$10 per ton, and the State assumes responsibility for purchase and distribution. Obligations for this purpose are estimated at \$5.4 million in 1955.

Related programs.—In addition to the foregoing, there are several related programs financed by the Farmers' Home Administration (loans), the Agricultural Conservation Program (emergency wind-erosion-control measures), the Commodity Credit Corporation (feed-grain program under the Agricultural Trade Development and Assistance Act of 1954), and the separate appropriation to reimburse the CCC for losses on the drought emergency feed and seed program.

Administrative expenses.—Costs incurred in 1954 amounted to \$2,012,251 and are estimated at \$3,795,200 in 1955 and \$2,489,450 in 1956. These costs are attributable to the activities of the Farmers' Home Administration, the Commodity Stabilization Service, and the Office of the Solicitor.

Operating results and retained earnings.—Due primarily to the furnishing of emergency feed assistance in 1954, which was nonreimbursable, the fund showed a loss of \$35.5 million in 1954. The drought relief hay program is the primary factor causing a probable loss of \$10.9 million in 1955. For 1956, with only loan programs and related expenses projected in these budget statements, a gain of \$1.8 million is estimated. The cumulative deficit of the fund, which was \$12 million at the start of 1954, is estimated at \$58.4 million at the start of 1956 and \$56.6 million at the end of 1956.

A. Statement of sources and application of funds

	1954 actual	1955 estimate	1956 estimate
FUNDS APPLIED			
To operations:			
Acquisition of assets:			
Loans made:			
Production disaster.....	\$31,940,565	\$31,850,000	\$30,000,000
Economic disaster.....	26,083,775	15,000,000	10,000,000
Special livestock.....	34,505,400	25,000,000	500,000
Special emergency.....	-----	15,000,000	-----
Other.....	388,880	150,000	70,000
Accounts receivable converted to loans.....	750	-----	-----
Accrued loan interest included in judgments.....	7,869	30,000	40,000
Acquired security.....	817	9,000	16,000
Expenses:			
Administrative expenses.....	2,012,251	3,795,200	2,489,450
Emergency assistance to farmers and stockmen (repayment to Commodity Credit Corporation).....	26,940,721	2,059,279	-----
Drought relief hay program.....	3,469,316	5,406,000	-----
Costs incident to loans.....	646	900	500
Other expenses.....	394	-----	-----
Interest on loans receivable: Charged off.....	39,874	60,000	80,000
Increase in selected working capital.....	16,238,997	-----	1,223,500
Total applied to operations.....	141,630,255	98,360,379	44,419,450
To financing: Increase in Treasury cash.....	33,457,288	-----	38,690,550
Total funds applied.....	175,087,543	98,360,379	83,110,000
FUNDS PROVIDED			
By operations:			
Realization of assets:			
Loans repaid:			
Production disaster.....	36,736,131	27,175,000	26,000,000
Economic disaster.....	799,491	18,000,000	17,000,000
Special livestock.....	4,246,993	18,000,000	23,000,000
Special emergency.....	-----	-----	12,000,000
Other.....	889,750	301,000	250,000
Sale of acquired security.....	11,643	60,000	130,000
Collections on judgments.....	19,305	24,000	40,000
Loans converted to accounts receivable.....	9,682	-----	-----
Income:			
Interest on loans.....	2,368,996	3,897,000	4,688,000
Other interest income.....	4,108	3,000	2,000
Other income.....	1,444	-----	-----
Decrease in selected working capital.....	-----	15,018,827	-----
Total provided by operations.....	45,087,543	82,478,827	83,110,000
By financing:			
Appropriations.....	130,000,000	-----	-----
Decrease in Treasury cash.....	-----	15,881,552	-----
Total funds provided.....	175,087,543	96,360,379	83,110,000

EFFECT ON BUDGET EXPENDITURES

Funds applied to operations.....	\$141,630,255	\$98,360,379	\$44,419,450
Funds provided by operations.....	45,087,543	82,478,827	83,110,000
Net effect on budget expenditures.....	96,542,712	15,881,552	-38,690,550
The above are charged or credited (—):			
To budgetary authorizations.....	130,000,000	-----	-----
To net receipts of the fund.....	-33,457,288	15,881,552	-38,690,550

B. Statement of income and expense

	1954 actual	1955 estimate	1956 estimate
Income:			
Interest on loans.....	\$2,368,996	\$3,897,000	\$4,688,000
Other interest income.....	4,108	3,000	2,000
Other income.....	1,444	-----	-----
Total income.....	2,374,548	3,900,000	4,690,000
Expenses:			
Administrative expenses.....	2,012,251	3,795,200	2,489,450
Emergency assistance to farmers and stockmen (repayment to Commodity Credit Corporation).....	26,940,721	2,059,279	-----
Drought relief hay program.....	3,469,316	5,406,000	-----
Costs incident to loans.....	646	900	500
Other expense.....	394	-----	-----

B. Statement of income and expense—Continued

	1954 actual	1955 estimate	1956 estimate
Expenses—Continued			
Losses and chargeoffs:			
Interest on loans receivable.....	\$39,874	\$60,000	\$80,000
Loans receivable.....	100,109	150,000	180,000
Judgments.....	3,092	7,000	9,000
Increase in allowances for losses.....	5,305,107	3,376,999	119,245
Total expenses.....	37,871,510	14,855,378	2,878,195
Net income or loss (—) from operations.....	—35,496,962	—10,955,378	1,811,805
Nonoperating loss (—):			
Proceeds from sale of acquired security.....	11,643	60,000	130,000
Net book value of assets sold.....	16,401	60,000	130,000
Net nonoperating loss (—).....	—4,758		
Net income or loss (—) for year.....	—35,501,720	—10,955,378	1,811,805
ANALYSIS OF DEFICIT (—)			
Deficit (—), beginning of year.....	—11,963,474	—47,465,194	—58,420,572
Deficit (—), end of year.....	—47,465,194	—58,420,572	—56,608,767

C. Statement of financial condition

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
ASSETS			
Current assets:			
Cash with Treasury.....	\$51,248,048	\$35,366,496	\$74,057,046
Cash on hand.....	2,700,661		
Accounts receivable.....	3,428	3,000	2,634
Less allowance for losses.....	2,824	2,625	2,370
Net accounts receivable.....	604	375	264
Accrued interest receivable.....	2,356,313	3,657,313	4,871,313
Less allowances for losses.....	521,650	914,431	1,217,981
Net accrued interest receivable.....	1,834,663	2,742,882	3,653,332
Due from Commodity Credit Corporation (refund of unused advances in connection with emergency assistance to farmers and stockmen).....	13,059,279		
Due from States by refund of advances for transportation of hay.....	568,184		
Undistributed charges.....	278	534	400
Total current assets.....	69,411,717	38,110,287	77,711,042
Loans receivable:			
Production disaster.....	48,240,494	52,775,494	56,550,494
Economic disaster.....	25,284,284	22,265,284	15,180,284
Special livestock.....	30,258,407	37,173,407	14,533,407
Special emergency.....		15,000,000	3,000,000
Other.....	1,257,299	1,020,299	750,299
Total loans receivable.....	105,040,484	128,234,484	90,014,484
Less allowance for losses.....	15,986,756	18,904,423	18,554,623
Net loans receivable.....	89,053,728	109,330,061	71,459,861
Other assets:			
Acquired security or collateral.....	19,834	58,834	74,834
Judgments.....	267,721	356,721	577,721
Less allowance for losses.....	200,791	267,541	433,291
Net judgments.....	66,930	89,180	144,430
Total other assets.....	86,764	148,014	219,264
Total assets.....	158,552,209	147,583,362	149,390,167
LIABILITIES			
Current liabilities:			
Accrued expense.....	157,869	150,000	140,000
Other liabilities.....	689	689	689
Undistributed credits.....	700	100	100
Total liabilities.....	159,258	150,789	140,789
INVESTMENT OF THE U. S. GOVERNMENT			
Principal of fund:			
Appropriations.....	205,494,334	205,494,334	205,494,334
Donated assets, net.....	363,811	363,811	363,811
Total principal.....	205,858,145	205,858,145	205,858,145

C. Statement of financial condition—Continued

	1954 actual	1955 estimate	1956 estimate
INVESTMENT OF THE U. S. GOVERNMENT—Continued			
Deficit (—).....	—\$47,465,194	—\$58,420,572	—\$56,608,767
Total investment of U. S. Government.....	158,392,951	147,437,573	149,249,378
Total liabilities and investment of U. S. Government.....	158,552,209	147,588,362	149,390,167

NOTE.—Excludes contingent liabilities for undisbursed loan commitments as follows: June 30, 1953, \$359,035; 1954, \$1,046,250; 1955, \$700,000; 1956, \$700,000.
 Selected working capital (other than cash with Treasury) included above is as follows: June 30, 1953, \$2,289,888; 1954, \$18,528,885; 1955, \$3,510,058; 1956, \$4,733,558.
 Cash balance with Treasury on June 30, 1953, was \$17,790,760.

SCHEDULE A-1. Accrued expenditures by objects

Object classification	1954 actual	1955 estimate	1956 estimate
ALLOTMENT TO FARMERS' HOME ADMINISTRATION			
Total number of permanent positions.....	341	335	335
Full-time equivalent of all other positions.....	100	341	210
Average number of all employees.....	435	672	541
Number of employees end of year.....	431	485	520
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,271	\$4,361	\$4,386
Average grade.....	GS-5.4	GS-5.5	GS-5.5
01 Personal services:			
Permanent positions.....	\$1,438,387	\$1,445,510	\$1,453,085
Positions other than permanent.....	344,375	800,750	701,000
Regular pay in excess of 52-week base.....	6,783	7,580	8,315
Payment above basic rates.....	2,498		
Total personal services.....	1,792,043	2,253,840	2,162,400
02 Travel.....	191,023	460,260	261,400
06 Printing and reproduction.....	238	3,000	3,000
07 Other contractual services.....		4,400	5,200
08 Supplies and materials.....	5,475	3,000	3,000
15 Taxes and assessments.....	6,931	12,000	15,000
16 Investments and loans.....	92,918,620	87,000,000	40,570,000
Undistributed charges.....	50,850	99,900	136,500
Total accrued expenditures.....	94,964,680	89,836,400	43,156,500
ALLOTMENT TO OFFICE OF SOLICITOR			
Total number of permanent positions.....	4	5	5
Average number of all employees.....	2	4	4
Number of employees at end of year.....	2	4	4
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$7,354	\$5,612	\$5,604
Average grade.....	GS-10.5	GS-7.4	GS-7.4
01 Personal services:			
Permanent positions.....	\$15,257	\$24,160	\$24,160
Regular pay in excess of 52-week base.....	70	90	90
Total personal services.....	15,327	24,250	24,250
02 Travel.....	1,214	680	665
07 Other contractual services.....		70	85
Total accrued expenditures.....	16,541	25,000	25,000
ALLOTMENT TO COMMODITY STABILIZATION SERVICE			
Average number of all employees.....		25	2
Number of employees at end of year.....			
01 Personal services: Permanent positions.....		\$129,035	\$11,920
02 Travel.....		27,785	2,360
03 Transportation of things.....		50	
04 Communication services.....		1,130	170
07 Other contractual services.....	\$26,940,721	2,059,279	
Advanced to—			
“Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture,” pursuant to 7 U. S. C. 1388.....		875,000	
Other.....		200	
08 Supplies and materials.....		500	
11 Grants, subsidies, and contributions.....	3,469,316	5,406,000	
Total accrued expenditures.....	30,410,037	8,498,979	14,450

PUBLIC ENTERPRISE FUNDS—Continued**FARMERS HOME ADMINISTRATION—Continued***Disaster Loans, Etc., Revolving Fund, Department of Agriculture—Con.***SCHEDULE A-1. Accrued expenditures by objects—Continued**

Object classification	1954 actual	1955 estimate	1956 estimate
SUMMARY			
Total number of permanent positions.....	345	340	340
Full-time equivalent of all other positions.....	100	341	210
Average number of all employees.....	437	701	547
Number of employees at end of year.....	433	489	524
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,307	\$4,379	\$4,404
Average grade.....	GS-5.5	GS-5.5	GS-5.5
01 Personal services:			
Permanent positions.....	\$1,453,644	\$1,598,705	\$1,489,165
Positions other than permanent.....	344,375	800,750	701,000
Regular pay in excess of 52-week base.....	6,853	7,670	8,405
Payment above basic rates.....	2,498		
Total personal services.....	1,807,370	2,407,125	2,198,570
02 Travel.....	192,237	488,725	264,425
03 Transportation of things.....		50	
04 Communication services.....		1,130	170
06 Printing and reproduction.....	238	3,000	3,000
07 Other contractual services.....	26,940,721	2,063,749	5,285
Advanced to:			
"Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture," pursuant to 7 U. S. C. 1388.....		875,000	
Other.....		200	
08 Supplies and materials.....	5,475	3,500	3,000
11 Grants, subsidies, and contributions.....	3,469,316	5,406,000	
15 Taxes and assessments.....	6,931	12,000	15,000
16 Investments and loans.....	92,918,620	87,000,000	40,570,000
Undistributed charges.....	50,350	99,900	136,500
Total accrued expenditures.....	125,391,258	98,360,379	43,195,950

*Farm Tenant-Mortgage Insurance Fund, Department of Agriculture***BUSINESS-TYPE STATEMENTS****PROGRAM AND PERFORMANCE**

The initial fund of \$1 million is supplemented by charges collected from insured borrowers and such inspection and appraisal fees and other charges as the Secretary finds necessary. Receipts are available for administrative expenses and to cover possible losses (7 U. S. C. 1005a). Public Law 597, approved August 17, 1954, makes this fund available also for the insurance of loans under that Act. Outstanding insured loans as of June 30, 1954, totaled \$61,736,259 and are estimated to be \$86,600,000 at June 30, 1955, and \$146 million at June 30, 1956. Retained earnings at June 30, 1954, amounted to \$2,018,518 and are expected to be \$2,528,718 at June 30, 1955, and \$3,402,718 at June 30, 1956.

A. Statement of sources and application of funds

	1954 actual	1955 estimate	1956 estimate
FUNDS APPLIED			
To operations:			
Acquisition of assets:			
Loans made:			
For payments of delinquent install- ments.....	\$241,089	\$325,000	\$400,000
For advances on behalf of borrowers.....	24,539	35,000	45,000
For purchase of loans.....	177,389	318,000	600,000
Judgments.....	774		
Acquired real estate.....	4,038	5,400	12,000
Expenses:			
Contractual services paid to Farmers Home Administration.....	260,000	310,000	420,000
Costs incident to acquired real estate.....	870	2,000	3,000
Increase in selected working capital.....	73,348	25,925	133,000
Total applied to operations.....	782,047	1,021,325	1,613,000
To financing: Increase in Treasury cash.....	124,357	144,875	126,000
Total funds applied.....	906,404	1,166,200	1,739,000

A. Statement of sources and application of funds—Continued

	1954 actual	1955 estimate	1956 estimate
FUNDS PROVIDED			
By operations:			
Realization of assets:			
Loan repayments:			
On payments of delinquent install- ments and advances on behalf of borrowers.....	\$169,054	\$255,000	\$281,000
On purchase of loans.....	31,720	30,000	56,000
On sale of loans.....	825		
Sale of acquired real estate.....	11,125	32,000	65,000
Income:			
Insurance premiums.....	321,531	380,000	590,000
Administrative expense charges.....	321,531	380,000	590,000
Interest.....	32,682	38,200	48,000
Fees for inspection, appraisals, etc.....	17,380	49,000	105,000
Other income.....	556	2,000	4,000
Total funds provided.....	906,404	1,166,200	1,739,000

EFFECT ON BUDGET EXPENDITURES

Funds applied to operations.....	\$782,047	\$1,021,325	\$1,613,000
Funds provided by operations.....	906,404	1,166,200	1,739,000
Net effect on budget expenditures.....	-124,357	-144,875	-126,000
The above are credited (-) to receipts of the fund.....	-124,357	-144,875	-126,000

B. Statement of income and expense

	1954 actual	1955 estimate	1956 estimate
Income:			
Insurance premiums.....	\$321,531	\$380,000	\$590,000
Administrative expense charges.....	321,531	380,000	590,000
Interest.....	32,682	38,200	48,000
Fees for inspection, appraisal, etc.....	17,380	49,000	105,000
Other income.....	556	2,000	4,000
Total income.....	693,680	849,200	1,337,000
Expenses:			
Contractual services paid to Farmers Home Administration.....	260,000	310,000	420,000
Costs incident to acquired real estate.....	870	2,000	3,000
Loans charged off.....	10,767	30,000	40,000
Total expenses.....	271,637	342,000	463,000
Net operating income for the year.....	422,043	507,200	874,000
Nonoperating income or loss (-):			
Proceeds from sale of acquired property.....	11,125	32,000	65,000
Net book value of assets sold.....	11,417	29,000	65,000
Net nonoperating income or loss (-).....	-292	3,000	
Net income for the year.....	421,751	510,200	874,000
ANALYSIS OF RETAINED EARNINGS			
Retained earnings, beginning of year.....	1,596,767	2,018,518	2,528,718
Retained earnings, end of year.....	2,018,518	2,528,718	3,402,718

C. Statement of financial condition

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
ASSETS			
Current assets:			
Cash with Treasury.....	\$624,571	\$769,445	\$895,445
Cash on hand and in transit.....	40,674		
Accounts receivable.....	585,964	654,064	789,864
Accrued interest on loans receivable.....	7,435	5,935	3,135
Accrued interest on investments.....	12,500	12,500	12,500
Total current assets.....	1,271,144	1,441,944	1,700,944
Loans receivable:			
Sale of acquired property.....	3,175	3,175	3,175
Installments paid from fund and ad- vances on behalf of borrowers.....	251,671	356,671	520,671
Loans purchased from fund.....	182,837	372,837	763,837
Total loans receivable.....	437,683	732,683	1,287,683
Judgments.....	225	3,225	6,225
Loans acquired through foreclosure.....	59,466	100,866	157,866
Investment in United States securities (par value).....	1,250,000	1,250,000	1,250,000
Total assets.....	3,018,518	3,528,718	4,402,718

C. Statement of financial condition—Continued

	1954 actual	1955 estimate	1956 estimate
INVESTMENT OF U. S. GOVERNMENT			
Principal of fund: Appropriation.....	\$1,000,000	\$1,000,000	\$1,000,000
Retained earnings.....	2,018,518	2,528,718	3,402,718
Total investment of U. S. Government.....	3,018,518	3,528,718	4,402,718

NOTE.—This statement excludes contingent liabilities for principal amounts of insured loans as follows: June 30, 1953, \$56,187,227; 1954, \$61,736,259; 1955, \$86,600,000; and 1956, \$146,000,000.

Selected working capital (other than cash with Treasury) included above is as follows: June 30, 1953, \$573,226; 1954, \$646,574; 1955 estimate, \$672,499; 1956 estimate, \$805,499. Cash balance with Treasury on June 30, 1953, was \$500,214.

SCHEDULE A-1. Accrued expenditures by objects

Object classification	1954 actual	1955 estimate	1956 estimate
07 Other contractual services.....	\$260,000	\$310,000	\$420,000
16 Investments and loans.....	443,017	678,000	1,045,000
Undistributed charges.....	5,682	7,400	15,000
Total accrued expenditures.....	708,699	995,400	1,480,000

SCHEDULE C-1. Position with respect to insurance authority

	1954 actual	1955 estimate	1956 estimate
Annual loan insurance authority.....	\$100,000,000	\$125,000,000	\$125,000,000
Charges against loan insurance authority during year:			
Loans insured.....	6,851,696	30,000,000	66,500,000
Commitments to insure pending advances by lenders.....	2,874,804	2,500,000	3,500,000
Loans accepted for the account of the fund.....	168,721	220,000	410,000
Total charges against authority.....	9,895,221	32,720,000	70,410,000
Unused insurance authority.....	90,104,779	92,280,000	54,590,000

INTRAGOVERNMENTAL FUNDS

AGRICULTURAL RESEARCH SERVICE

Working Capital Fund, Agricultural Research Center, Agricultural Research Service

BUSINESS-TYPE STATEMENTS

PROGRAM AND PERFORMANCE

This fund finances, on a reimbursable basis, central facilities and services furnished to agencies at the Agricultural Research Center (64 Stat. 658). The capital consists of \$300,000 appropriated in 1951 and donated assets of \$152,334, as of June 30, 1954.

A. Statement of sources and application of funds

	1954 actual	1955 estimate	1956 estimate
FUNDS APPLIED			
To operations:			
Acquisition of assets: Equipment.....	\$13,924	\$18,000	\$18,000
Expenses:			
Purchase of materials.....	695,549	800,000	800,000
Other expenses.....	1,295,559	1,655,000	1,705,000
Increase in selected working capital.....	89,997		13,332
Selected working capital absorbed.....	57,372		
Total applied to operations.....	2,152,401	2,473,000	2,536,332
To financing: Increase in Treasury cash.....		68,888	
Total funds applied.....	2,152,401	2,541,888	2,536,332
FUNDS PROVIDED			
By operations:			
Realization of assets: Proceeds from sale of equipment.....	1,019	800	800

A. Statement of sources and application of funds—Continued

	1954 actual	1955 estimate	1956 estimate
FUNDS PROVIDED—Continued			
By operations—Continued			
Income:			
Sales of goods and services.....	\$2,034,424	\$2,474,600	\$2,523,600
Rental income from quarters.....	5,894	10,400	10,400
Decrease in selected working capital.....		56,888	
Total provided by operations.....	2,041,337	2,541,888	2,534,800
By financing: Decrease in Treasury cash.....	111,064		1,532
Total funds provided.....	2,152,401	2,541,888	2,536,332

EFFECT ON BUDGET EXPENDITURES

Funds applied to operations.....	\$2,152,401	\$2,473,000	\$2,536,332
Funds provided by operations.....	2,041,337	2,541,888	2,534,800
Net effect on budget expenditures.....	111,064	-68,888	1,532
The above are charged or credited (-) to net receipts of the fund.....	111,064	-68,888	1,532

B. Statement of income and expense

	1954 actual	1955 estimate	1956 estimate
Income:			
Sales of goods and services.....	\$2,034,424	\$2,474,600	\$2,523,600
Rental income from quarters.....	5,894	10,400	10,400
Total income.....	2,040,318	2,485,000	2,534,000
Expenses: Cost of materials sold:			
Purchase of materials.....	695,549	800,000	800,000
Change in materials inventory.....	351	448	
Cost of materials sold.....	695,900	800,448	800,000
Other expenses.....	1,295,559	1,655,000	1,705,000
Depreciation of equipment.....	30,832	30,000	30,000
Total expenses.....	2,022,291	2,485,448	2,535,000
Net operating income or loss (-).....	18,027	-448	-1,000
Nonoperating income or loss (-):			
Proceeds from sale of fixed assets.....	1,019	800	800
Net book value of assets sold.....	915	1,000	1,000
Net nonoperating income or loss (-).....	104	-200	-200
Net income or loss (-) for the year.....	18,131	-648	-1,200
ANALYSIS OF RETAINED EARNINGS			
Retained earnings, beginning of year.....	30,597	48,728	48,080
Retained earnings, end of year.....	48,728	48,080	46,880

C. Statement of financial condition

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
ASSETS			
Current assets:			
Cash with Treasury:			
Operations.....	\$198,444	\$267,332	\$265,800
Deposit funds.....	35,031	35,000	35,000
Accounts receivable.....	438,816	388,816	390,000
Inventory of supplies and materials.....	89,448	89,000	89,000
Total current assets.....	761,739	780,148	779,800
Fixed assets:			
Equipment.....	346,889	355,889	363,889
Less portion charged off as depreciation.....	194,615	216,615	237,615
Total fixed assets.....	152,274	139,274	126,274
Total assets.....	914,013	919,422	906,074
LIABILITIES			
Current liabilities:			
Accounts payable.....	135,833	147,552	135,860
Accrued expenses.....	242,087	236,456	236,000
Deposit liabilities.....	35,031	35,000	35,000
Total liabilities.....	412,951	419,008	406,860

INTRAGOVERNMENTAL FUNDS—Continued

AGRICULTURAL RESEARCH SERVICE—Continued

Working Capital Fund, Agricultural Research Center, Agricultural Research Service—Continued

C. Statement of financial condition—Continued

	1954 actual	1955 estimate	1956 estimate
INVESTMENT OF U. S. GOVERNMENT			
Principal of fund:			
Appropriation.....	\$300,000	\$300,000	\$300,000
Donated assets, net.....	152,334	152,334	152,334
Total principal of fund.....	452,334	452,334	452,334
Retained earnings.....	48,728	48,080	46,880
Total investment of U. S. Government.....	501,062	500,414	499,214
Total liabilities and investment of U. S. Government.....	914,013	919,422	906,074

NOTE.—Excludes contingent liability for undelivered orders as follows: June 30, 1953, \$34,754; 1954, \$18,809; 1955, \$20,000; 1956, \$20,000.

Selected working capital (other than cash with Treasury) included above is as follows: June 30, 1953, —\$29,101; 1954, \$60,896; 1955, \$4,808; 1956, \$18,140.

Cash balance with Treasury on June 30, 1953, was \$309,508.

SCHEDULE A-1. Accrued expenditures by objects

Object classification	1954 actual	1955 estimate	1956 estimate
Total number of permanent positions.....	334	339	339
Full-time equivalent of all other positions.....	49	50	50
Average number of all employees.....	302	379	379
Number of employees at end of year.....	444	440	440
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,312	\$4,317	\$4,339
Average grade.....	GS-5.3	GS-5.3	GS-5.3
Ungraded positions: Average salary.....	\$3,352	\$3,548	\$3,728
01 Personal services:			
Permanent positions.....	\$914,382	\$1,223,500	\$1,272,500
Positions other than permanent.....	146,428	150,000	150,000
Regular pay in excess of 52-week base.....	4,573	4,500	4,500
Payment above basic rates.....	25,937	29,000	29,000
Excess of annual leave earned over leave taken.....	3,880		
Total personal services.....	1,095,200	1,407,000	1,456,000
02 Travel.....	291	300	300
03 Transportation of things.....	34,407	36,000	36,000
04 Communication services.....	32,592	58,000	58,000
05 Rents and utility services.....	106,994	120,000	120,000
06 Printing and reproduction.....	2,182	2,200	2,200
07 Other contractual services.....	18,626	25,500	26,500
08 Supplies and materials.....	695,549	800,000	800,000
09 Equipment.....	13,924	18,000	18,000
13 Refunds, awards, and indemnities.....	486		
15 Taxes and assessments.....	4,781	6,000	6,000
Total accrued expenditures.....	2,005,032	2,473,000	2,523,000

COMMODITY STABILIZATION SERVICE

Administrative Expenses, Sec. 392, Agricultural Adjustment Act of 1938

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Miscellaneous reimbursements from other accounts (pursuant to 7 U. S. C. 1392).....	\$1,355,316	\$1,092,800	\$1,101,330
Unobligated balance, estimated savings.....	—469,209		
Obligations incurred.....	886,107	1,092,800	1,101,330

OBLIGATIONS BY ACTIVITIES

National and State operating expenses—1954, \$886,107; 1955, \$1,092,800; 1956, \$1,101,330.

PROGRAM AND PERFORMANCE

Under the Agricultural Adjustment Act of 1938, amounts estimated to be required for administrative

expenses of the national and State offices are advanced to this account from the several appropriations related to agricultural stabilization and conservation activities. Reimbursements for this account in the following amounts are distributed by objects under the reimbursing appropriations:

	1954 actual	1955 estimate	1956 estimate
Agricultural conservation program.....	\$3,825,732	\$3,637,324	\$4,116,500
Agricultural adjustment programs.....	5,200,000	5,500,000	6,165,000
Sugar Act program.....	997,459	1,119,865	1,105,270
Operating and administrative expenses, Federal Crop Insurance Corporation.....	81,887		
Miscellaneous reimbursements from other accounts.....	2,219,900	3,054,080	3,034,900
	12,324,978	13,311,269	14,421,670

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
STATE AGRICULTURAL STABILIZATION AND CONSERVATION COMMITTEES AND NATIONAL OFFICE EXPENSES			
Total number of permanent positions.....	170	202	194
Full-time equivalent of all other positions.....	5	6	5
Average number of all employees.....	138	167	167
Number of employees at end of year.....	158	190	180
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,075	\$4,069	\$4,065
Average grade.....	GS-5.7	GS-5.7	GS-5.8
01 Personal services:			
Permanent positions.....	\$608,540	\$738,101	\$749,401
Positions other than permanent.....	28,626	34,035	33,075
Regular pay in excess of 52-week base.....	2,182	2,415	2,449
Payment above basic rates.....		100	
Other payments for personal services.....	315		
Total personal services.....	639,663	774,651	784,925
02 Travel.....	109,242	142,841	141,850
03 Transportation of things.....	5,956	8,770	7,790
04 Communication services.....	43,110	27,467	27,200
05 Rents and utility services.....	37,155	27,626	27,650
06 Printing and reproduction.....	2,284	1,751	1,500
07 Other contractual services.....	4,889	25,076	25,485
Services performed by other agencies.....	22,113	60,000	60,000
08 Supplies and materials.....	12,473	14,257	14,450
09 Equipment.....	6,763	7,416	7,440
13 Refunds, awards, and indemnities.....	85		
15 Taxes and assessments.....	1,574	2,145	2,240
Obligations incurred.....	885,307	1,092,000	1,100,530
ALLOTMENT TO FEDERAL EXTENSION SERVICE			
11 Grants, subsidies, and contributions.....	\$800	\$800	\$800
SUMMARY			
Total number of permanent positions.....	170	202	194
Full time equivalent of all other positions.....	5	6	5
Average number of all employees.....	138	167	167
Number of employees at end of year.....	158	190	180
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,075	\$4,069	\$4,065
Average grade.....	GS-5.7	GS-5.7	GS-5.8
01 Personal services:			
Permanent positions.....	\$608,540	\$738,101	\$749,401
Positions other than permanent.....	28,626	34,035	33,075
Regular pay in excess of 52-week base.....	2,182	2,415	2,449
Payment above basic rates.....		100	
Other payments for personal services.....	315		
Total personal services.....	639,663	774,651	784,925
02 Travel.....	109,242	142,841	141,850
03 Transportation of things.....	5,956	8,770	7,790
04 Communication services.....	43,110	27,467	27,200
05 Rents and utility services.....	37,155	27,626	27,650
06 Printing and reproduction.....	2,284	1,751	1,500
07 Other contractual services.....	4,889	25,076	25,485
Services performed by other agencies.....	22,113	60,000	60,000
08 Supplies and materials.....	12,473	14,257	14,450
09 Equipment.....	6,763	7,416	7,440
11 Grants, subsidies, and contributions.....	800	800	800
13 Refunds, awards, and indemnities.....	85		
15 Taxes and assessments.....	1,574	2,145	2,240
Obligations incurred.....	886,107	1,092,800	1,101,330

ANALYSIS OF EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$922,268	\$1,292,894	\$1,522,934
Obligations incurred during the year.....	886,107	1,092,800	1,101,330
Adjustment in obligations of prior years.....	1,808,375	2,385,694	2,624,264
Reimbursements.....	-6,619	-	-
Obligated balance carried to certified claims account.....	-1,355,316	-1,092,800	-1,101,330
Obligated balance carried forward.....	-29,850	-	-
Obligated balance carried forward.....	-1,292,894	-1,522,934	-1,652,934
Total expenditures.....	-876,304	-230,040	-130,000
EFFECT ON BUDGET EXPENDITURES			
Funds applied to operations.....	479,012	862,760	971,330
Funds provided by operations.....	1,355,316	1,092,800	1,101,330
Net effect on budget expenditures.....	-876,304	-230,040	-130,000
The above are credited (-) to net receipts of the fund.....	-876,304	-230,040	-130,000

Local Administration, Sec. 388, Agricultural Adjustment Act of 1938, Agriculture

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Reimbursements from other accounts (pursuant to 7. U. S. C. 1388):			
"Agricultural conservation program, Agriculture"	\$19,263,622	\$18,378,200	\$18,378,200
"Agricultural adjustment programs, Commodity Stabilization Service"	35,912,000	35,366,000	32,448,000
"Sugar Act program, Commodity Stabilization Service"	339,100	379,200	511,730
"Operating and administrative expenses, Federal Crop Insurance Corporation"	132,213	-	-
"Disaster loans, etc., revolving fund, Department of Agriculture"	-	875,000	-
"Commodity Credit Corporation (storage and price-support programs)"	39,287,000	51,198,230	45,552,070
Other.....	6,789,481	6,744,000	6,730,000
Total available for obligation.....	101,723,416	112,940,630	103,620,000
Unobligated balance, estimated savings.....	-6,909,103	-	-
Obligations incurred.....	94,814,313	112,940,630	103,620,000

OBLIGATIONS BY ACTIVITIES

Local operating expenses—1954, \$94,814,313; 1955, \$112,940,630; 1956, \$103,620,000.

PROGRAM AND PERFORMANCE

Under the Agricultural Adjustment Act of 1938, amounts estimated to be required by the county agricultural stabilization and conservation committees for carrying out the programs assigned to them are advanced to this account from the several appropriations available.

Payments to the county committees for their estimated expenses are deposited in the county committee bank accounts. Distribution of expenses paid from these bank accounts is as follows:

	1954 actual	1955 estimate	1956 estimate
Salaries.....	\$61,284,740	\$73,637,325	\$67,560,240
Travel.....	3,953,721	4,743,502	4,352,040
All other expenses.....	27,922,358	34,555,303	31,703,220
Total expenditures from county committee bank accounts.....	93,160,819	112,936,130	103,615,500
Adjustment for unexpended balances in county committee bank accounts.....	1,648,994	-	-
Total advances (obligations) from local administration.....	94,809,813	112,936,130	103,615,500

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
COUNTY AGRICULTURAL STABILIZATION AND CONSERVATION COMMITTEES			
07 Other contractual services.....	\$42,364,921	\$58,803,230	\$52,282,070
11 Grants, subsidies, and contributions.....	52,444,892	54,132,900	51,333,430
Obligations incurred.....	94,809,813	112,936,130	103,615,500

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
ALLOTMENT TO FEDERAL EXTENSION SERVICE			
11 Grants, subsidies, and contributions.....	\$4,500	\$4,500	\$4,500
SUMMARY			
07 Other contractual services.....	\$42,364,921	\$58,803,230	\$52,282,070
11 Grants, subsidies, and contributions.....	52,444,892	54,132,900	51,333,430
Obligations incurred.....	94,814,313	112,940,630	103,620,000

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$239,903	\$1,123,706	\$4,327,624
Adjustment in obligations of prior years.....	538,174	3,403,918	-
Obligations incurred during the year.....	94,814,313	112,940,630	103,620,000
Reimbursements.....	95,592,390	117,468,254	107,947,624
Obligated balance carried forward.....	-101,723,416	-112,940,630	-103,620,000
Obligated balance carried forward.....	-1,123,706	-4,327,624	-4,227,624
Total expenditures.....	-7,254,732	200,000	100,000
EFFECT ON BUDGET EXPENDITURES			
Funds applied to operations.....	94,468,684	113,140,630	103,720,000
Funds provided by operations.....	101,723,416	112,940,630	103,620,000
Net effect on budget expenditures.....	-7,254,732	200,000	100,000
The above are charged or credited (-) to net receipts of the fund.....	-7,254,732	200,000	100,000

OFFICE OF THE SECRETARY

Working Capital Fund, Department of Agriculture

BUSINESS-TYPE STATEMENTS

PROGRAM AND PERFORMANCE

This fund of \$400,000, without fiscal year limitation, is available for financing on a reimbursable basis, central duplicating, photographic, art and graphics, motion-picture, tabulating, motor-transport, and supply services for the Department, and such other services as the Secretary, with the approval of the Director of the Bureau of the Budget, determines may be performed more advantageously as central services. Advances are made from this fund for operation of these services, pending reimbursement from applicable funds of bureaus and agencies at rates so computed as to make the services completely self-sustaining and maintain the integrity of the original fund (5 U. S. C. 542-1).

A. Statement of sources and application of funds

	1954 actual	1955 estimate	1956 estimate
FUNDS APPLIED			
To operations			
Central supply service:			
Acquisition of assets: Equipment.....	\$133	-	-
Expenses:			
Purchase of materials.....	466,989	\$500,000	\$500,000
Other expenses.....	84,580	89,300	95,000
Total, central supply service.....	551,702	589,300	595,000
Reproduction service:			
Acquisition of assets: Equipment.....	32,733	10,000	16,000
Expenses:			
Purchase of materials.....	271,640	256,600	256,600
Other expenses.....	554,535	485,070	485,070
Total, reproduction service.....	858,908	751,670	757,670
Motor-transport service:			
Acquisition of assets: Equipment.....	2,314	-	-
Expenses:			
Purchase of materials.....	3,462	3,400	3,400
Other expenses.....	21,637	24,000	24,600
Total, motor-transport service.....	27,413	27,400	28,000

INTRAGOVERNMENTAL FUNDS—Continued

OFFICE OF THE SECRETARY—Continued

Working Capital Fund, Department of Agriculture—Continued

A. Statement of sources and application of funds—Continued

	1954 actual	1955 estimate	1956 estimate
FUNDS APPLIED—Continued			
To Operations—Continued			
U. S. D. A. publication: Expenses.....	\$23,109	\$23,000	\$23,000
Art and graphics service:			
Acquisition of assets: Equipment.....		3,000	3,000
Expenses:			
Purchase of materials.....		20,000	21,000
Other expenses.....		140,000	144,000
Total, art and graphics service.....		163,000	168,000
Motion-picture service:			
Acquisition of assets: Equipment.....	18,972	20,000	20,000
Expenses:			
Purchase of materials.....	162,677	150,000	148,000
Other expenses.....	320,747	277,434	285,000
Total, motion-picture service.....	502,396	447,434	453,000
Still photographic service:			
Acquisition of assets: Equipment.....		4,000	5,000
Expenses:			
Purchase of materials.....		15,000	16,000
Other expenses.....		100,000	101,000
Total, still photographic service.....		119,000	122,000
Subtotal.....	1,963,528	2,120,804	2,146,670
Increase in selected working capital.....	46,905		
Total applied to operations.....	2,010,433	2,120,804	2,146,670
To financing			
Increase in treasury cash.....		148,262	22,600
Total funds applied.....	2,010,433	2,269,066	2,169,270
FUNDS PROVIDED			
By operations			
Central supply service: Income: Sales of goods and services.....	586,917	590,000	595,600
Reproduction service:			
Realization of assets: Proceeds from sale of equipment.....	552		
Income: Sales of goods and services.....	752,170	749,270	748,970
Total, reproduction service.....	752,722	749,270	748,970
Motor-transport service: Income: Sales of goods and services.....	26,042	29,400	30,000
U. S. D. A. publication: Income: Sales of goods and services.....	23,109	23,000	23,000
Art and graphics service: Income: Sales of goods and services.....		165,000	170,000
Motion-picture service:			
Realization of assets: Proceeds from sale of equipment.....	7,268		
Income: Sales of goods and services.....	475,797	475,000	470,000
Total, motion-picture service.....	483,065	475,000	470,000
Still photographic service: Income: Sales of goods and services.....		120,000	125,000
Decrease in selected working capital.....		117,396	6,700
Total provided by operations.....	1,871,855	2,269,066	2,169,270
By financing			
Decrease in Treasury cash.....	138,578		
Total funds provided.....	2,010,433	2,269,066	2,169,270

EFFECT ON BUDGET EXPENDITURES

Funds applied to operations.....	\$2,010,433	\$2,120,804	\$2,146,670
Funds provided by operations.....	1,871,855	2,269,066	2,169,270
Net effect on budget expenditures.....	138,578	-148,262	-22,600
The above are charged or credited (-) to net receipts of the fund.....	138,578	-148,262	-22,600

B. Statement of income and expense

	1954 actual	1955 estimate	1956 estimate
CENTRAL SUPPLY SERVICE			
Income: Sales of goods and services.....	\$586,917	\$590,000	\$595,600
Expenses:			
Cost of materials sold:			
Purchase of materials.....	466,989	500,000	500,000
Changes in material inventory.....	26,540		
Other expenses.....	84,580	89,300	95,000
Depreciation on equipment.....	768	700	600
Total expenses.....	578,877	590,000	595,600
Net income, central supply service.....	8,040		
REPRODUCTION SERVICE			
Income: Sales of goods and services.....	752,170	749,270	748,970
Expenses:			
Cost of materials sold:			
Purchase of materials.....	271,640	256,600	256,600
Changes in material inventory.....	6,802		
Other expenses.....	554,535	485,070	485,070
Depreciation on equipment.....	11,171	7,600	7,300
Total expenses.....	844,148	749,270	748,970
Nonoperating income:			
Proceeds from sale of equipment.....	552		
Net book value of assets sold.....	96		
Net nonoperating income.....	456		
Net loss (-), reproduction service.....	-91,522		
MOTOR-TRANSPORT SERVICE			
Income: Sales of goods and services.....	26,042	29,400	30,000
Expenses:			
Cost of materials sold:			
Purchase of materials.....	3,462	3,400	3,400
Changes in material inventory.....	35		
Other expenses.....	21,637	24,000	24,600
Depreciation on equipment.....	2,183	2,000	2,000
Total expenses.....	27,317	29,400	30,000
Net loss (-), motor-transport service.....	-1,275		
U. S. D. A. PUBLICATION			
Income: Sales of goods and services.....	23,109	23,000	23,000
Expenses.....	23,109	23,000	23,000
Net income, U. S. D. A. publication.....			
ART AND GRAPHICS SERVICE			
Income: Sales of goods and services.....		165,000	170,000
Expenses:			
Cost of materials sold: Purchase of materials.....		20,000	21,000
Other expenses.....		140,000	144,000
Depreciation on equipment.....		3,000	3,000
Total expenses.....		163,000	168,000
Net income, art and graphics service.....		2,000	2,000
MOTION-PICTURE SERVICE			
Income: Sales of goods and services.....	475,797	475,000	470,000
Expenses:			
Cost of materials sold:			
Purchase of materials.....	162,677	150,000	148,000
Changes in material inventory.....	-44,157	15,000	20,000
Other expenses.....	320,747	277,434	285,000
Depreciation on equipment.....	14,688	15,000	16,000
Total expenses.....	453,955	457,434	469,000
Net operating income.....	21,842	17,566	1,000
Nonoperating income:			
Proceeds from sale of equipment.....	7,268		
Net book value of assets sold.....	4,575		
Net nonoperating income.....	2,693		
Net income, motion-picture service.....	24,535	17,566	1,000
STILL PHOTOGRAPHIC SERVICE			
Income: Sales of goods and services.....		120,000	125,000

B. Statement of income and expense—Continued

	1954 actual	1955 estimate	1956 estimate
STILL PHOTOGRAPHIC SERVICE—Continued			
Expenses:			
Cost of materials sold: Purchase of materials.....		\$15,000	\$16,000
Other expenses.....		100,000	101,000
Depreciation on equipment.....		3,000	2,500
Total expenses.....		118,000	119,500
Net income, still photographic service.....		2,000	5,500
Net income or loss (—) for year.....	—\$60,222	21,566	8,500
ANALYSIS OF RETAINED EARNINGS			
Retained earnings, beginning of year.....	86,710	26,488	48,054
Retained earnings, end of year.....	26,488	48,054	56,554

C. Statement of financial condition

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
ASSETS			
Current assets:			
Cash with Treasury:			
Revolving fund account.....	\$482,415	\$630,677	\$653,277
Deposit funds.....	30,780	30,780	30,780
Accounts receivable.....	340,808	280,497	270,497
Inventories:			
Supplies and materials for sale.....	183,911	168,911	148,911
Work in process.....	16,072	16,072	16,072
Total current assets.....	1,053,986	1,126,937	1,119,537
Fixed assets:			
Equipment.....	522,305	559,305	603,305
Less portion charged off as depreciation.....	320,353	351,653	383,053
Net fixed assets.....	201,952	207,652	220,252
Total assets.....	1,255,938	1,334,589	1,339,789
LIABILITIES			
Current liabilities:			
Accounts payable.....	81,937	139,022	135,722
Accrued expenses.....	187,863	187,863	187,863
Deposit liabilities.....	30,780	30,780	30,780
Total liabilities.....	300,580	357,665	354,365
INVESTMENT OF U. S. GOVERNMENT			
Principal of fund:			
Appropriation.....	400,000	400,000	400,000
Donated assets, net.....	528,870	528,870	528,870
Total principal.....	928,870	928,870	928,870
Retained earnings.....	26,488	48,054	56,554
Total investment of U. S. Government.....	955,358	976,924	985,424
Total liabilities and investment of U. S. Government.....	1,255,938	1,334,589	1,339,789

NOTE.—Excludes contingent liabilities for undelivered orders as follows: June 30, 1953, \$61,075; 1954, \$57,496; 1955, \$58,000; 1956, \$58,000.
 Selected working capital (other than cash with Treasury) included above is as follows:
 June 30, 1953, \$24,103; 1954, \$71,008; 1955, —\$46,388; 1956, —\$53,088.
 Cash balance with Treasury on June 30, 1953, was \$620,993.

SCHEDULE A-1. Accrued expenditures by objects

Object classification	1954 actual	1955 estimate	1956 estimate
ALLOTMENT TO OFFICE OF THE SECRETARY			
Total number of permanent positions.....	170	161	161
Average number of all employees.....	169	158	158
Number of employees at end of year.....	171	161	161

SCHEDULE A-1. Accrued expenditures by objects—Continued

Object classification	1954 actual	1955 estimate	1956 estimate
ALLOTMENT TO OFFICE OF THE SECRETARY—continued			
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$3,856	\$3,831	\$3,882
Average grade.....	GS-4.3	GS-4.1	GS-4.1
Ungraded positions: Average salary.....	\$3,513	\$3,527	\$3,556
01 Personal services:			
Permanent positions.....	\$625,906	\$583,414	\$589,698
Regular pay in excess of 52-week base.....	2,549	2,286	2,302
Payment above basic rates.....	25,107	18,000	18,000
Excess of annual leave earned over leave taken.....	1,126		
Total personal services.....	654,688	603,700	610,000
02 Travel.....	17		
03 Transportation of things.....	624	600	600
04 Communication services.....	1,792	1,800	1,800
05 Rents and utility services.....	171	170	170
06 Printing and reproduction.....	9,172	9,100	9,100
07 Other contractual services.....	5,660	5,000	5,000
08 Supplies and materials.....	752,673	760,000	760,000
09 Equipment.....	35,180	10,000	16,000
15 Taxes and assessments.....	1,155	1,000	1,000
Total accrued expenditures.....	1,461,132	1,391,370	1,403,670
ALLOTMENT TO OFFICE OF INFORMATION			
Total number of permanent positions.....	61	108	108
Average number of all employees.....	45	92	94
Number of employees at end of year.....	48	100	100
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,042	\$4,855	\$4,879
Average grade.....	GS-7.9	GS-7.2	GS-7.1
01 Personal services:			
Permanent positions.....	\$231,693	\$452,591	\$454,444
Regular pay in excess of 52-week base.....	937	1,654	1,663
Payment above basic rates.....	1,487		
Excess of annual leave earned over leave taken.....	2,186		
Total personal services.....	236,303	454,245	456,107
02 Travel.....	10,863	13,500	13,500
03 Transportation of things.....	1,881	2,500	2,500
04 Communication services.....	1,561	2,500	2,500
06 Printing and reproduction.....	409	1,400	1,400
Photographing.....		500	500
07 Other contractual services.....	39,874	28,189	38,893
Services performed by other agencies.....	11,973	13,000	13,000
08 Supplies and materials.....	179,226	185,000	185,000
09 Equipment.....	19,536	27,000	28,000
15 Taxes and assessments.....	770	1,600	1,600
Total accrued expenditures.....	502,396	729,434	743,000
SUMMARY			
Total number of permanent positions.....	231	269	269
Average number of all employees.....	214	250	252
Number of employees at end of year.....	219	261	261
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,332	\$4,416	\$4,452
Average grade.....	GS-5.7	GS-5.9	GS-5.8
Ungraded positions: Average salary.....	\$3,513	\$3,527	\$3,556
01 Personal services:			
Permanent positions.....	\$857,599	\$1,036,005	\$1,044,142
Regular pay in excess of 52-week base.....	3,486	3,940	3,965
Payment above basic rates.....	26,594	18,000	18,000
Excess of annual leave earned over leave taken.....	3,312		
Total personal services.....	890,991	1,057,945	1,066,107
02 Travel.....	10,880	13,500	13,500
03 Transportation of things.....	2,505	3,100	3,100
04 Communication services.....	3,353	4,300	4,300
05 Rents and utility services.....	171	170	170
06 Printing and reproduction.....	9,581	10,500	10,500
Photographing.....		500	500
07 Other contractual services.....	45,534	33,189	43,893
Services performed by other agencies.....	11,973	13,000	13,000
08 Supplies and materials.....	931,899	945,000	945,000
09 Equipment.....	54,716	37,000	44,000
15 Taxes and assessments.....	1,925	2,600	2,600
Total accrued expenditures.....	1,963,528	2,120,804	2,146,670

INTRAGOVERNMENTAL FUNDS—Continued

MISCELLANEOUS

Consolidated Working Fund, Agriculture

ANALYSIS OF BALANCES AND EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Balance brought forward:			
Unobligated.....	\$589,071	\$358,234	
Obligated.....	836,354	131,538	\$26,616
Unobligated balance, estimated savings.....	8,883		
Recovery of prior year obligations.....	172,237		
Advances returned to other accounts.....	365,955	140,275	
Adjustment in obligations of prior years.....	247,435	139,975	
Obligated balance carried to certified claims account.....	33,079		

ANALYSIS OF BALANCES AND EXPENDITURES—continued

	1954 actual	1955 estimate	1956 estimate
Balance carried forward:			
Unobligated.....	-\$358,234		
Obligated.....	-131,538	-\$26,616	
Total expenditures.....	947,408	462,856	\$26,616
EFFECT ON BUDGET EXPENDITURES			
Funds applied to operations.....	1,615,496	494,535	26,616
Funds provided by operations.....	668,088	31,679	
Net effect on budget expenditures.....	947,408	462,856	26,616
The above are charged to net receipts of the fund.....	947,408	462,856	26,616

NOTE.—The supporting schedules for this consolidation will be found in detail in part III of this document.

GENERAL PROVISIONS

SEC. 501. Within the unit limit of cost fixed by law, the lump-sum appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed [575] 700 passenger motor vehicles for replacement only, and for the hire of such vehicles, necessary in the conduct of the work of the Department outside the District of Columbia.

SEC. 502. Provisions of law prohibiting or restricting the employment of aliens shall not apply to (1) the temporary employment of translators when competent citizen translators are not available; (2) employment in cases of emergency of persons in the field service of the Department for periods of not more than sixty days; and (3) employment under the appropriation for the Foreign Agricultural Service.

SEC. 503. Of appropriations herein made which are available for the purchase of lands, not to exceed \$1 may be expended for each option to purchase any particular tract or tracts of land.

SEC. 504. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

SEC. 505. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

SEC. 506. Not less than [\$1,500,000] \$1,875,000 of the appropriations of the Department for research and service work authorized by the Act of August 14, 1946 (7 U. S. C. 427, 1621-1629), and the Act of July 28, 1954 (Public Law 545), shall be available for contracting in accordance with said [Act] Acts.

SEC. 507. No part of any appropriation contained in this Act, or of the funds available for expenditure by any corporation included in this Act, shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that

advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further*, That nothing in this section shall be construed to require an affidavit from any person employed for less than sixty days for sudden emergency work involving the loss of human life or destruction of property, the payment of salary or wages may be made to such persons from applicable appropriations for services rendered in such emergency without execution of the affidavit contemplated by this section.

SEC. 508. No part of any appropriation contained in this Act or of the funds available for expenditure by any corporation or agency included in this Act shall be used for publicity or propaganda purposes to support or defeat legislation pending before the Congress.

SEC. 509. Appropriations of the Department available for research and service work authorized by the Act of August 14, 1946 (7 U. S. C. 427; 7 U. S. C. 1621-1629) shall be available for expenses of any advisory committee established as provided in title III of said Act to assist in effectuating the research and service work of the Department. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1955.*)

the head of the activity or establishment concerned, for expenses of attendance at meetings of organizations concerned with the function or activity for which the appropriation concerned is made.

SEC. 106. No part of any appropriations made available by the provisions of this title shall be used for the purchase or sale of real estate or for the purpose of establishing new offices outside the District of Columbia: *Provided*, That this limitation shall not apply to programs which have been approved by the Congress and appropriations made therefor.

SEC. 107. No part of any appropriation contained in this title shall be used to pay the compensation of any employee engaged in personnel work in excess of the number that would be provided by a ratio of one such employee to one hundred and thirty-five, or a part thereof, full-time, part-time, and intermittent employees of the agency concerned: *Provided*, That for purposes of this section employees shall be considered as engaged in personnel work if they spend half time or more in personnel administration consisting of direction and administration of the personnel program; employment, placement, and separation; job evaluation and classification; employee relations and services; training; wage administration; and processing, recording, and reporting.

SEC. 108. None of the sections under the head "Independent Offices, General Provisions" in this title shall apply to the Housing and Home Finance Agency or the Tennessee Valley Authority.

CORPORATIONS—GENERAL PROVISIONS

SEC. 202. No part of the funds of, or available for expenditure by, any corporation or agency included in this title shall be used to pay the compensation of any employee engaged in personnel work in excess of the number that would be provided by a ratio of one such employee to one hundred and thirty-five, or a part thereof, full-time, part-time, and intermittent employees of the agency concerned: *Provided*, That for purposes of this section employees shall be considered as engaged in personnel work if they spend half-time or more in personnel administration consisting of direction and administration of the personnel program; employment, placement, and separation; job evaluation and classification; employee relations and services; training; committees of expert examiners and boards of civil-service examiners; wage administration; and processing, recording, and reporting.

GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in this Act, or of the funds available for expenditure by any corporation included in this Act, shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 302. No part of any appropriation contained in this Act, or of the funds available for expenditure by any corporation or agency included in this Act, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before the Congress. (*Independent Offices Appropriation Act, 1955.*)

DEPARTMENTS, AGENCIES, AND CORPORATIONS

SEC. 1301. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year, in accordance with section 16 of the Act of August 2, 1946 (5 U. S. C. 78), for the purchase of any passenger motor vehicle (exclusive of buses, ambulances,

and station wagons), is hereby fixed at \$1,400. Notwithstanding any limitation on cost of passenger motor vehicles carried in the 1955 Appropriation Acts, not more than \$3,000 may be expended during the current fiscal year for any such vehicle.

SEC. 1302. Unless otherwise specified and during the current fiscal year, no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act who, being eligible for citizenship, had filed a declaration of intention to become a citizen of the United States prior to such date, (3) is a person who owes allegiance to the United States or (4) is an alien from the Baltic countries lawfully admitted to the United States for permanent residence: *Provided*, That for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his status have been complied with: *Provided further*, That any person making a false affidavit shall be guilty of a felony and, upon conviction, shall be fined not more than \$4,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further*, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of the Republic of the Philippines or to nationals of those countries allied with the United States in the current defense effort.

SEC. 1303. Appropriations of the executive departments and independent establishments for the current fiscal year, available for expenses of travel or for the expenses of the activity concerned, are hereby made available for living quarters allowances in accordance with the Act of June 26, 1930 (5 U. S. C. 118a), and regulations prescribed thereunder, and cost-of-living allowances similar to those allowed under section 901 (2) of the Foreign Service Act of 1946, in accordance with and to the extent prescribed by regulations of the President, for all civilian officers and employees of the Government permanently stationed in foreign countries: *Provided*, That the availability of appropriations made to the Department of State for carrying out the provisions of the Foreign Service Act of 1946 shall not be affected hereby.

SEC. 1304. No part of any appropriation for the current fiscal year contained in this or any other Act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person.

SEC. 1305. No part of any appropriation contained in this or any other Act for the current fiscal year shall be used to pay in excess of \$4 per volume for the current and future volumes of the United States Code Annotated, and such volumes shall be purchased on condition and with the understanding that latest published cumulative annual pocket parts issued prior to the date of purchase shall be furnished free of charge, or in excess of \$4.25 per volume for the current or future volumes of the Lifetime Federal Digest.

SEC. 1306. Funds made available by this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to the Government Corporation Control Act, as amended (31 U. S. C. 841), shall be available, in addition to objects for which such funds are otherwise available, for rent in the District of Columbia; services in accordance with section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds unless otherwise specified in the Act by which they are made available: *Provided*, That in the event any functions budgeted as administrative expenses are subsequently transferred to or paid from other funds, the limitations on administrative expenses shall be correspondingly reduced.

SEC. 1307. No part of any funds of or available to any wholly-owned Government corporation shall be used for the purchase or construction, or in making loans for the purchase or construction of any office building, without specific authority in law therefor, primarily for occupancy by any department or agency of the United States Government or by any corporation owned by the United States Government.

SEC. 1308. During the current fiscal year, personnel and appropriations or funds available for salaries and expenses to any department, agency, or corporation in the executive branch of the Government, shall be transferred to any defense activity under the jurisdiction of such department or agency in such numbers or amounts as may be necessary for the discharge of responsibilities relating to the national defense assigned to such departments, agency, or corporation by or pursuant to law.

SEC. 1309. During the current fiscal year, the provisions of Bureau of the Budget Circular A-45, dated June 3, 1952, shall be

GENERAL PROVISIONS—Continued

DEPARTMENTS, AGENCIES, AND CORPORATIONS—Con.

controlling over the activities of all departments, agencies, and corporations of the Government: *Provided*, That said circular may be amended or changed during such year by the Director of the Budget with the approval of the Chairman of the Committee on Appropriations of the House of Representatives: *Provided further*, That the Bureau of the Budget shall make a report to Congress not later than January 31, [1955] 1956, of the operations of this order upon all departments, agencies, and corporations of the Government: *Provided further*, That, notwithstanding the provisions of any other law, no officer or employee shall be required to occupy any Government-owned quarters unless the head of the agency concerned shall determine that necessary service cannot be rendered or property of the United States cannot be adequately protected otherwise.

Sec. 1310. Pursuant to section 1415 of the Act of July 15, 1952 (66 Stat. 662), foreign credits (including currencies) owed to or owned by the United States may be used by Federal agencies for any purpose for which appropriations are made for the current fiscal year (including the carrying out of Acts requiring or authorizing the use of such credits) and for liquidation of obligations legally incurred against such credits prior to July 1, 1953, only when reimbursement therefor is made to the Treasury from applicable appropriations of the agency concerned: *Provided*, That such credits received as exchange allowances or proceeds of sales of personal property may be used in whole or part payment for acquisition of similar items, to the extent and in the manner authorized by law, without reimbursement to the Treasury: *Provided further*, That nothing in section 1415 of the Act of July 15, 1952, or in this section shall be construed to prevent the making of new or the carrying out of existing contracts, agreements, or executive agreements for periods in excess of one year, in any case where such contracts, agreements, or executive agreements for periods in excess of one year were permitted prior to the enactment of this Act under section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b) (2)), and the performance of all such contracts, agreements, or executive agreements shall be subject to the availability of appropriations for the purchase of credits as provided by law.

[Sec. 1311. (a) After the date of enactment hereof no amount shall be recorded as an obligation of the Government of the United States unless it is supported by documentary evidence of—]

[(1) a binding agreement in writing between the parties thereto, including Government agencies, in a manner and form and for a purpose authorized by law, executed before the expiration of the period of availability for obligation of the appropriation or fund concerned for specific goods to be delivered, real property to be purchased or leased, or work or services to be performed; or]

[(2) a valid loan agreement, showing the amount of the loan to be made and the terms of repayment thereof; or]

[(3) an order required by law to be placed with a Government agency; or]

[(4) an order issued pursuant to a law authorizing purchases without advertising when necessitated by public exigency or for perishable subsistence supplies or within specific monetary limitations; or]

[(5) a grant or subsidy payable (i) from appropriations made for payment of or contributions toward, sums required to be paid in specific amounts fixed by law or in accord with formulae prescribed by law, or (ii) pursuant to agreement authorized by, or plans approved in accord with and authorized by, law; or]

[(6) a liability which may result from pending litigation brought under authority of law; or]

[(7) employment or services of persons or expenses of travel in accord with law, and services performed by public utilities; or]

[(8) any other legal liability of the United States against an appropriation or fund legally available therefor.]

[(b) Not later than September 30 of each year, the head of each Federal agency shall report, as to each appropriation or fund under the control of such agency, the amount thereof remaining obligated but unexpended and the amount thereof remaining unobligated on June 30 of such year and copies of such report shall be forwarded by him to the chairman of the Committees on Appropriations of the Senate and the House of Representatives, to the Comptroller General of the United States, and to the Director of the Bureau of the Budget: *Provided*, That such report for the fiscal year ending June 30, 1954, shall be made not later than December 31, 1954, and shall include only such obligations as could have been recorded under the provisions of subsection (a) hereof.]

[(c) Each report made pursuant to subsection (b) shall be supported by certifications of the officials designated by the head of the agency, and such certifications shall be supported by records evidencing the amounts which are reported therein as having been obligated. Such certifications and records shall be retained in the agency in such form as to facilitate audit and reconciliation for such period as may be necessary for such purposes. The officials designated by the head of the agency to make certifications may not redelegate the responsibility.]

[(d) No appropriation or fund which is limited for obligation purposes to a definite period of time shall be available for expenditure after the expiration of such period except for liquidation of amounts obligated in accord with subsection (a) hereof; but no such appropriation or fund shall remain available for expenditure for any period beyond that otherwise authorized by law.]

[(e) Any statement of obligation of funds furnished by any agency of the Government to the Congress or any committee thereof shall include only such amounts as may be valid obligations as defined in subsection (a) hereof.]

Sec. [1312] 1311. No part of any appropriation contained in this Act, or of the funds available for expenditure by any corporation included in this Act, shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this or any other Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

[Sec. 1313. The appropriations, authorizations, and authority with respect thereto in this Act shall be available from July 1, 1954, for the purposes provided in such appropriations, authorizations, and authority. All obligations incurred during the period between June 30, 1954, and the date of enactment of this Act in anticipation of such appropriations, authorizations, and authority are hereby ratified and confirmed if in accordance with the terms hereof and the terms of Public Law 475, Eighty-third Congress.] (*Supplemental Appropriation Act, 1955.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1956

DEPARTMENT OF AGRICULTURE

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimated)				
AGRICULTURAL RESEARCH SERVICE								
Salaries and expenses, Agricultural Research Service: Research.....	94	\$131,600	94	\$18,800	\$112,800	285	¹ \$800	Scientific and technical personnel: For necessary field travel in carrying out research programs on agricultural problems relating to production and utilization of agricultural products, including use of 1 station wagon at National Arboretum in Washington, D. C. Research Administrator and staff members: Use of 1 car for transportation in District of Columbia.
Station wagon.....	2	3,800	2	400	3,400	37		Do.
Plant and animal disease and pest control.....	204	285,600	204	40,800	244,800	615		Inspection personnel and control supervisors: Transportation to farms, ranches, and other premises in field and urban locations in carrying out plant and animal disease and pest control programs, including inspection and quarantine work.
Station wagon.....						10		Do.
Meat inspection.....	10	14,000	10	2,000	12,000	56		Inspection personnel: Transportation to slaughterhouses and meat packing plants in urban centers, including field station in District of Columbia, in carrying out provisions of laws relating to Federal inspection of meat and meat-food products.
Foot-and-mouth and other contagious diseases of animals and poultry, Agricultural Research Service: Eradication activities.....	(2)		(2)			5		Codirector of Mexican-United States Commission and supervisory officials: Travel in connection with prevention of foot-and-mouth disease in Mexico.
Research: Ambulance.....						1		Officials and employees at Plum Island, N. Y., laboratory: For use in transporting employees from ferry to laboratory and return. No private vehicles allowed on island.
Bus.....						3		Superintendent, engineers, and other officials: Transportation in supervising and inspecting maintenance and operation of agricultural research center and for transporting officials and visiting agricultural leaders to and from various sections of the center.
Working capital fund, agricultural research center, Agricultural Research Service.....	1	1,400	1	200	1,200	5		
Research on strategic and critical agricultural materials, Agricultural Research Service: Station wagon.....						1		Technical workers and their assistants: For use in planning and carrying forward work of Department on agricultural materials determined to be strategic and critical pursuant to sec. 7 (h) of Stockpiling Act.
Total, Agricultural Research Service.....	311	436,400	311	62,200	374,200	1,018	800	
FOREST SERVICE								
Salaries and expenses, Forest Service: National forest protection and management.....	99	138,600	99	29,700	108,900	329	6,700	Chief of Forest Service and staff: Use of 1 car for transportation in District of Columbia. Forest rangers, forest supervisors, regional foresters and other field officers: For use in protection, management, utilization, and development of national forests; and in management of land utilization projects.
Station wagon.....	1	1,800	1	300	1,500	5		Do.
Control of forest pests: Forest Service.....	9	12,600	9	2,700	9,900	43	300	Supervisory and technical personnel: Transportation in connection with forest pest control activities in field.
Department of the Interior.....						3		Supervisory and technical personnel: Transportation in connection with forest pest control activities in field.
Station wagon.....	1	1,800	1	300	1,500	1		Do.
Forest research.....	40	56,000	40	12,000	44,000	145		Research station director and other research employees in field: For use at Research Center experimental forests and ranges on field research projects and forest survey.
Station wagon.....	1	1,800	1	300	1,500	6		Do.
State and private forestry cooperation, Forest Service.....	3	4,200	3	900	3,300	13	500	Assistant regional foresters and staff assistants: Travel in connection with improving forest practices on private forest lands.
Forest roads and trails, Forest Service.....	11	15,400	11	3,300	12,100	44	500	Regional engineer and staff assistants: Used in directing and inspecting road construction and maintenance.
Total, Forest Service.....	165	232,200	165	49,500	182,700	589	² 8,000	
SOIL CONSERVATION SERVICE								
Conservation operations, Soil Conservation Service.....	119	166,600	119	35,700	130,900	974		State and area conservationists, technical specialists and survey supervisors: Transportation in connection with inspection and supervision of conservation district activities.
Station wagon.....	1	1,400	2	600	800	17		Administrator and other staff officials: Use of 1 car for transportation in District of Columbia.
Water conservation and utilization projects, Soil Conservation Service.....						12		Do.
Flood prevention, Soil Conservation Service.....	6	8,400	6	1,800	6,600	66		Water conservation and utilization project technicians: Transportation in connection with planning, development, operation, and management of water conservation and utilization projects.
Watershed protection, Soil Conservation Service.....	25	35,000	25	7,500	27,500			Project personnel: Transportation in connection with planning and supervising installation of works of improvement in authorized flood prevention projects.
								Project personnel: Transportation in connection with making surveys and investigations of watersheds and negotiations with local sponsors of watershed projects; and planning for and supervising installation of works of improvement in watershed project areas.
Total, Soil Conservation Service.....	151	211,400	152	45,600	165,800	1,069		

¹ Represents payments to another agency for motor pool rentals.² Subject to the development of the 1956 program.³ Includes \$7,000 for payments to another agency for motor pool rentals and \$1,000 for other payments for hire.

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1956—Continued

DEPARTMENT OF AGRICULTURE—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimated)				
AGRICULTURAL MARKETING SERVICE								
Marketing research and service: Marketing research and agricultural estimates.	14	\$19,600	14	\$4,200	\$15,400	51		Research and technical specialists: For use in supervising, directing and carrying out research programs on agricultural problems. Field statisticians: Transportation to and from important agricultural areas in preparation of crop and livestock estimates.
Marketing services-----	45	63,000	45	13,500	49,500	165		Market news reporters: For use in gathering and disseminating news of market conditions for various farm crops and livestock. Inspectors and graders: For inspection, classing and grading of farm products, including work required under Cotton, Tobacco, Naval Stores and Grain Standards Acts. Administrator and other staff officials: Use of 1 car for transportation in District of Columbia. Marketing specialists, inspectors and graders: Transportation to and from warehouses, stockyards, markets, railroad yards, piers and other places for licensing or registration, supervision of operations of licensees to assure compliance, collection of samples for testing, handling of violations with respect to administration of United States Warehouse, Federal Seed, Packers and Stockyards, Naval Stores Acts.
Station wagon-----						1		Marketing specialists and inspectors: For transportation to and from railroad yards and piers in connection with United States Grain Standards Act.
Expenses and refunds, inspection and grading of farm products, Agriculture.	15	21,000	15	4,500	16,500	119		Inspectors and graders: For use in inspecting and grading farm and food products—paid from funds advanced by producers for whom services are performed.
Station wagon-----						2		Do.
Perishable Agricultural Commodities Act fund, Agriculture.	1	1,400	1	300	1,100	5		Marketing specialists: Transportation to and from offices of produce dealers and truckers in investigating complaints and violations and checking establishments for compliance with license provisions under Perishable Agricultural Commodities and Produce Agency Acts—paid from license fees collected.
Total, Agricultural Marketing Service.	75	105,000	75	22,500	82,500	343		
FOREIGN AGRICULTURAL SERVICE								
Salaries and expenses, Foreign Agricultural Service.						1		Administrator and other officials, for Foreign Agricultural Service: Transportation to and from official conferences and meetings in Washington, D. C., with Members of Congress, U. S. Government officials, and officials of international organizations and of foreign governments; trips to and from embassies of foreign governments for visaing of passports.
COMMODITY STABILIZATION SERVICE								
Administrative expenses, section 392, Agricultural Adjustment Act of 1938.	2	2,800	2	600	2,200	3		Area office directors and field representatives: For travel within Puerto Rico and Hawaii in connection with agricultural conservation, sugar, and other assigned programs.
Station wagon-----						1		Administrator and other staff officials: Use of 1 car for transportation in District of Columbia.
Administrative expenses, Commodity Credit Corporation.	1	1,400	1	300	1,100	2		Director, Hawaiian area office and field representatives: Transportation in Hawaii in connection with Sugar Act program.
Station wagon-----	1	1,900	1	300	1,600	1		Inspectors and marketing specialists: For travel to and from warehouses, storage facilities and piers to inspect packing conditions, marketings and related operations in receipt, storage and shipment of commodities owned or controlled by Commodity Credit Corporation.
Total, Commodity Stabilization Service.	4	6,100	4	1,200	4,900	7		1 on loan to Army; 1 same as above and for transporting cotton samples.
FARMERS' HOME ADMINISTRATION								
Salaries and expenses, Farmers' Home Administration.	11	15,400	11	3,300	12,100	35		Administrator and other staff officials: Use of 1 car for transportation in District of Columbia. State directors and other field officials: Transportation in assisting and advising county supervisors in investigation of applications, making of loans, rendering farm management assistance to borrowers and collecting and servicing loans under various loan programs.
OFFICE OF THE SECRETARY								
Salaries and expenses, Office of the Secretary.	1	1,400	1	400	1,000	2	\$500	The Secretary of Agriculture, Under Secretary, the Assistant Secretaries, and members of their immediate staffs, as well as heads and other responsible officials of staff offices which comprise the Office of the Secretary: For transportation in District of Columbia.
Total, Department of Agriculture.	4718	1,007,900	719	184,700	823,200	3,064	9,300	

* Includes 1 vehicle for use of the Secretary in the District of Columbia; 1 vehicle to be purchased from funds available under the working capital fund of the Agricultural Research Center; and 16 vehicles to be purchased from funds advanced by producers for whom services are performed and from license fees collected. (See items above for "Salaries and expenses, Office of the Secretary"; "Expenses and refunds, inspection and grading of farm products"; "Perishable agricultural commodities act fund," and "Working capital fund, Agricultural Research Center.")

Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1956

DEPARTMENT OF AGRICULTURE

Appropriation	Aircraft to he purchased		Aircraft to he exchanged		Net cost of air- craft to he pur- chased	Old aircraft still to he used	Cost of mainte- nance and operation of aircraft	Users and public purpose
	Number	Gross cost	Number	Allowance (estimated)				
AGRICULTURAL RESEARCH SERVICE								Technical employees: For experimentation and development of improved equipment and methods for spraying and dusting crops and for fertilizing, seeding, and performing other agricultural operations with airplanes. Pest control technicians: For demonstrating use of special equipment for suppression of destructive insects attacking crops; and when not otherwise engaged, for supplementing contract aircraft in control operations.
Salaries and expenses, Agricultural Research Service: Research-----						2	\$2,500	
Plant and animal disease and pest control.	1	\$5,000	1	\$1,500	\$3,500	4	5,000	
Total, Agricultural Research Service.	1	5,000	1	1,500	3,500	6	7,500	
FOREST SERVICE								
Salaries and expenses, Forest Service: National forest protection and management.	2	55,000	2	10,000	45,000	15	90,000	
Control of forest pests-----	1	14,000	1	4,000	10,000	1	10,000	
Forest research-----						2	2,000	
Total, Forest Service-----	3	69,000	3	14,000	55,000	18	102,000	
Total, Department of Agriculture-----	4	74,000	4	15,500	58,500	24	109,500	



A. Statement of sources and application of funds

	1954 actual	1955 estimate	1956 estimate
FUNDS APPLIED			
To operations:			
Acquisition of assets: Equipment.....	\$1,400	\$1,500	\$1,500
Expenses:			
Purchases of publications for resale.....	563	10,000	1,800
Operating expenses, excluding depreciation.....	32,326	31,000	31,000
Total applied to operations.....	34,289	42,500	34,300
To financing: Increase in Treasury cash.....	11,553	-----	5,700
Total funds applied.....	45,842	42,500	40,000
FUNDS PROVIDED			
By operations:			
Income:			
Sales of publications and materials.....	10,057	12,000	10,000
Fees from reproduction services.....	33,587	30,000	30,000
Decrease in selected working capital.....	2,198	-----	-----
Total provided by operations.....	45,842	42,000	40,000
By financing: Decrease in Treasury cash.....	-----	500	-----
Total funds provided.....	45,842	42,500	40,000
EFFECT ON TRUST EXPENDITURES			
Funds applied to operations.....	\$34,289	\$42,500	\$34,300
Funds provided by operations.....	45,842	42,000	40,000
Net effect on trust expenditures.....	-11,553	500	-5,700

B. Statement of income and expense

	1954 actual	1955 estimate	1956 estimate
Income:			
Sales of publications and materials.....	\$10,057	\$12,000	\$10,000
Fees from reproduction services.....	33,587	30,000	30,000
Total income.....	43,644	42,000	40,000
Expenses:			
Cost of goods sold:			
Purchases of publications for resale.....	563	10,000	1,800
Increase (-) or decrease in raw materials inventory.....	5,237	-5,000	4,000
Cost of goods sold.....	5,800	5,000	5,800
Operating expenses:			
Operating expenses (excluding depreciation).....	32,326	31,000	31,000
Depreciation on equipment.....	61	145	220
Total operating expenses.....	32,387	31,145	31,220
Total expenses.....	38,187	36,145	37,020
Net operating income for the year.....	5,457	5,855	2,980
ANALYSIS OF RETAINED EARNINGS			
Retained earnings, beginning of year.....	32,747	38,204	44,059
Retained earnings, end of year.....	38,204	44,059	47,039

C. Statement of financial condition

	1954 actual	1955 estimate	1956 estimate
ASSETS			
Current assets:			
Cash with Treasury.....	\$33,290	\$32,790	\$38,490
Cash on hand and in transit.....	575	775	825
Accounts receivable.....	1,783	1,583	1,733
Inventories.....	5,773	10,773	6,773
Total current assets.....	41,421	45,921	47,821
Fixed assets: Equipment.....	1,565	3,065	4,565
Less portion charged off as depreciation.....	70	215	435
Net fixed assets.....	1,495	2,850	4,130
Total assets.....	42,916	48,771	51,951
LIABILITIES			
Current liabilities:			
Accounts payable.....	3,908	3,708	3,908
Accrued expenses.....	804	1,004	1,004
Total liabilities.....	4,712	4,712	4,912

C. Statement of financial condition—Continued

	1954 actual	1955 estimate	1956 estimate
NET TRUST INVESTMENT			
Retained earnings.....	\$38,204	\$44,059	\$47,039
Total liabilities and net trust investment.....	42,916	48,771	51,951

NOTE.—Contingent liability for undelivered orders, not included above, is as follows: June 30, 1954, \$990; 1955, \$500; 1956, \$500.

SCHEDULE A-1. Accrued expenditures by objects

Object classification	1954 actual	1955 estimate	1956 estimate
Total number of permanent positions.....	5	7	7
Average number of all employees.....	4	7	7
Number of employees at end of year.....	4	7	7
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$3,411	\$3,714	\$3,744
Average grade.....	GS-3.2	GS-4.0	GS-4.0
01 Personal services:			
Permanent positions.....	\$13,641	\$24,207	\$24,207
Regular pay in excess of 52-week base.....	52	93	93
Payment above basic rates.....	619	-----	-----
Excess of annual leave taken over leave earned.....	-444	-----	-----
Total personal services.....	13,868	24,300	24,300
03 Transportation of things.....	102	100	100
04 Communication services.....	-----	100	100
07 Other contractual services.....	11,117	100	100
08 Supplies and materials.....	7,658	16,200	8,000
09 Equipment.....	1,400	1,500	1,500
15 Taxes and assessments.....	144	200	200
Total accrued expenditures.....	34,289	42,500	34,300

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH SERVICE

Expenses, Feed and Attendants for Animals in Quarantine, Department of Agriculture

Appropriated (estimate) 1955, \$15,000 Estimate 1956, \$15,000

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$19,617	\$15,000	\$15,000
Unobligated balance brought forward.....	14,603	17,580	13,580
Total available for obligation.....	34,220	32,580	28,580
Unobligated balance carried forward.....	-17,580	-13,580	-9,580
Obligations incurred.....	16,640	19,000	19,000

OBLIGATIONS BY ACTIVITIES

Expenses, feed and attendants for animals in quarantine—1954, \$16,640; 1955, \$19,000; 1956, \$19,000.

PROGRAM AND PERFORMANCE

Expenses of providing feed and attendants for animals in quarantine are paid from fees advanced by importers (21 U. S. C. 102).

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
Total number of permanent positions.....	2	2	2
Full-time equivalent of all other positions.....	1	1	1
Average number of all employees.....	3	4	4
Number of employees at end of year.....	2	2	2
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$3,030	\$3,230	\$3,230
Average grade.....	GS-2.0	GS-2.0	GS-2.0
01 Personal services:			
Permanent positions.....	\$9,721	\$12,076	\$12,076
Positions other than permanent.....	2,657	3,000	3,000
Regular pay in excess of 52-week base.....	49	25	25
Payment above basic rates.....	1,352	1,400	1,400
Total personal services.....	13,779	16,501	16,501

DEPARTMENT OF AGRICULTURE—Continued

AGRICULTURAL RESEARCH SERVICE—Continued

Expenses, Feed and Attendants for Animals in Quarantine, Department of Agriculture—Continued

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
03 Transportation of things.....	\$8		
07 Other contractual services: Services performed by other agencies.....	640	\$660	\$660
08 Supplies and materials.....	2,572	2,597	2,597
09 Equipment.....	228		
15 Taxes and assessments.....	71	100	100
Subtotal.....	17,298	19,858	19,858
Deduct charges for quarters and subsistence.....	658	858	858
Obligations incurred.....	16,640	19,000	19,000

ANALYSIS OF EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$1,059	\$2,059	\$1,059
Obligations incurred during the year.....	16,640	19,000	19,000
Obligated balance carried forward.....	17,699	21,059	20,059
Total expenditures.....	15,640	20,000	19,000

Inspection of Animal Foods, Agricultural Research Service

Appropriated (estimate) 1955, \$70,400 Estimate 1956, \$70,400

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$76,449	\$70,400	\$70,400
Unobligated balance brought forward.....	7,430	1,442	1,141
Recovery of prior year obligations.....	2,636		
Available from subsequent year appropriation.....	7,429	7,000	7,000
Total available for obligation.....	93,944	78,842	78,541
Unobligated balance carried forward.....	-1,442	-1,141	-1,293
Available in prior year.....	-20,390	-7,429	-7,000
Obligations incurred.....	72,112	70,272	70,248

OBLIGATIONS BY ACTIVITIES

Inspection and certification of animal foods—1954, \$72,112; 1955, \$70,272; 1956, \$70,248.

PROGRAM AND PERFORMANCE

Inspection and certification of animal foods is provided upon acceptance of an application by the manufacturer and payment of a fee (7 U. S. C. 1622h, 1624; 7 U. S. C. supp. V, 414).

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
Total number of permanent positions.....	4	2	2
Full-time equivalent of all other positions.....	1		
Average number of all employees.....	3	1	1
Number of employees at end of year.....	2	2	2
Average salaries and grades:			
Average salary.....	\$5,079	\$7,190	\$7,253
Average grade.....	GS-6.5	GS-11.0	GS-11.0
01 Personal services:			
Permanent positions.....	\$14,595	\$9,892	\$10,047
Positions other than permanent.....	179		
Regular pay in excess of 52-week base.....	69	56	57
Payment above basic rates.....	87		
Total personal services.....	14,930	9,948	10,104
02 Travel.....	75	50	50
04 Communication services.....	37	50	50
06 Printing and reproduction.....	33	50	50
07 Other contractual services: Services performed by other agencies.....	56,263	59,674	59,674
08 Supplies and materials.....	769	500	320
15 Taxes and assessments.....	5		
Obligations incurred.....	72,112	70,272	70,248

ANALYSIS OF EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$12,251	\$3,124	\$2,396
Obligations incurred during the year.....	72,112	70,272	70,248
Adjustment in obligations of prior years.....	84,363	73,396	72,644
Obligated balance carried forward.....	-2,636	-2,396	-1,644
Total expenditures.....	78,603	71,000	71,000

Allocations Received From Other Appropriation Accounts

NOTE.—Obligations incurred under allocations from other appropriations are shown in the schedules of the parent appropriation, as follows: "Miscellaneous contributed funds, Department of Agriculture."

EXTENSION SERVICE

Allocations Received From Other Appropriation Accounts

NOTE.—Obligations incurred under allocations from other appropriations are shown in the schedules of the parent appropriation, as follows: "Miscellaneous contributed funds, Department of Agriculture."

FOREST SERVICE

Cooperative Work, Forest Service

Appropriated (est.) 1955, \$9,000,000 Estimate 1956, \$9,000,000

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$9,401,660	\$9,000,000	\$9,000,000
Unobligated balance brought forward.....	11,485,662	12,566,100	12,566,100
Recovery of prior year obligations.....	444		
Reimbursements from non-Federal sources.....	123		
Total available for obligation.....	20,887,889	21,566,100	21,566,100
Unobligated balance carried forward.....	-12,566,100	-12,566,100	-12,566,100
Obligations incurred.....	8,321,789	9,000,000	9,000,000

NOTE.—Reimbursements from non-Federal sources above are for the costs of suppressing forest fires on State and private forest lands adjacent to or intermingled with national forests, under terms of written cooperative agreements (16 U. S. C. 572), and from proceeds of sale of personal property (40 U. S. C. 581 (c)).

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
1. Construction and maintenance of roads and trails.....	\$769,304	\$800,000	\$700,000
2. Construction and maintenance of other improvements.....	361,473	350,000	250,000
3. Protection of national forests and adjacent private land.....	1,867,847	1,800,000	1,800,000
4. Sale-area betterment and sealing.....	4,529,548	5,300,000	5,500,000
5. Research investigations.....	602,541	600,000	600,000
6. Administration.....	130,555	100,000	100,000
7. Reforestation.....	60,398	50,000	50,000
8. Obligations under reimbursements from non-Federal sources.....	123		
Obligations incurred.....	8,321,789	9,000,000	9,000,000

PROGRAM AND PERFORMANCE

Advances, including deposits from purchasers of timber, are received and used for cooperative work in forest investigations, protection and improvement of the national forests, and protection, reforestation, and administration of private lands. Except for deposits by purchasers of national forest timber (16 U. S. C. 576b), this fund is also available for refunds to the contributors of amounts in excess of their share of the costs (16 U. S. C. 498, 572, 572a, 576b, 581; 31 U. S. C. 725s).

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
FOREST SERVICE			
Total number of permanent positions.....	601	601	601
Full-time equivalent of all other positions.....	1,016	1,118	1,118
Average number of all employees.....	1,741	1,849	1,849
Number of employees at end of year.....	2,635	3,129	3,126

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
FOREST SERVICE—continued			
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$3,657	\$3,638	\$3,638
Average grade.....	GS-4.4	GS-4.3	GS-4.3
Ungraded positions: Average salary.....	\$2,819	\$2,885	\$2,885
01 Personal services:			
Permanent positions.....	\$2,612,243	\$2,629,855	\$2,629,855
Positions other than permanent.....	2,750,825	3,082,423	3,082,423
Regular pay in excess of 52-week base.....	10,047	10,115	10,115
Payment above basic rates.....	76,158	76,932	80,307
Other payments for personal services.....	15,297	1,800	1,800
Total personal services.....	5,464,570	5,801,125	5,804,500
02 Travel.....	49,757	75,000	75,000
03 Transportation of things.....	28,871	30,000	30,000
04 Communication services.....	17,630	25,000	25,000
05 Rents and utility services.....	51,721	50,000	50,000
06 Printing and reproduction.....	5,747	10,000	10,000
07 Other contractual services.....	423,068	432,011	433,355
Services performed by other agencies.....	21,009	25,000	25,000
08 Supplies and materials.....	1,252,446	1,491,864	1,487,145
09 Equipment.....	119,779	150,000	150,000
10 Lands and structures.....	66,394	350,000	350,000
13 Refunds, awards, and indemnities.....	537,712	560,000	560,000
15 Taxes and assessments.....	61,253	60,000	60,000
Subtotal.....	8,099,957	9,060,000	9,060,000
Deduct cbarges for quarters and subsistence.....	58,184	60,000	60,000
Obligations incurred.....	8,041,773	9,000,000	9,000,000
ALLOCATION TO AGRICULTURAL RESEARCH SERVICE			
08 Supplies and materials.....	\$429		
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Average number of all employees.....	1		
Number of employees at end of year.....			
01 Personal services: Positions other than permanent.....	\$1,209		
07 Other contractual services.....	1,230		
10 Lands and structures.....	276,777		
15 Taxes and assessments.....	2		
Obligations incurred.....	279,218		
ALLOCATION TO BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR			
01 Personal services: Positions other than permanent.....	\$180		
07 Other contractual services.....	7		
08 Supplies and materials.....	182		
Obligations incurred.....	369		
SUMMARY			
Total number of permanent positions.....	601	601	601
Full-time equivalent of all other positions.....	1,017	1,118	1,118
Average number of all employees.....	1,742	1,849	1,849
Number of employees at end of year.....	2,635	3,129	3,129
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$3,657	\$3,638	\$3,638
Average grade.....	GS-4.4	GS-4.3	GS-4.3
Ungraded positions: Average salary.....	\$2,819	\$2,885	\$2,885
01 Personal services:			
Permanent positions.....	\$2,612,243	\$2,629,855	\$2,629,855
Positions other than permanent.....	2,752,214	3,082,423	3,082,423
Regular pay in excess of 52-week base.....	10,047	10,115	10,115
Payment above basic rates.....	76,158	76,932	80,307
Other payments for personal services.....	15,297	1,800	1,800
Total personal services.....	5,465,959	5,801,125	5,804,500
02 Travel.....	49,757	75,000	75,000
03 Transportation of things.....	28,871	30,000	30,000
04 Communication services.....	17,630	25,000	25,000
05 Rents and utility services.....	51,721	50,000	50,000
06 Printing and reproduction.....	5,747	10,000	10,000
07 Other contractual services.....	424,305	432,011	433,355
Services performed by other agencies.....	21,009	25,000	25,000
08 Supplies and materials.....	1,253,057	1,491,864	1,487,145
09 Equipment.....	119,779	150,000	150,000
10 Lands and structures.....	343,171	350,000	350,000
13 Refunds, awards, and indemnities.....	537,712	560,000	560,000
15 Taxes and assessments.....	61,255	60,000	60,000
Subtotal.....	8,379,973	9,060,000	9,060,000
Deduct cbarges for quarters and subsistence.....	58,184	60,000	60,000
Obligations incurred.....	8,321,789	9,000,000	9,000,000

ANALYSIS OF EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$998,062	\$1,053,721	\$1,126,721
Obligations incurred during the year.....	8,321,789	9,000,000	9,000,000
Adjustment in obligations of prior years.....	9,319,851	10,053,721	10,126,721
Reimbursements.....	—444		
Obligated balance carried forward.....	—1,053,721	—1,126,721	—1,136,721
Total expenditures.....	8,265,563	8,927,000	8,990,000

SOIL CONSERVATION SERVICE

Payments in Lieu of Taxes and Operation and Maintenance Costs, Water Conservation and Utilization Projects

PROGRAM AND PERFORMANCE

Receipts from leasing of project lands owned by the United States are used for payments in lieu of taxes to local government taxing units and for some operation and maintenance costs of the resettlement features of the projects, until land development for irrigation is completed and farm units are returned to private ownership. Funds not needed for expenses or payments in lieu of taxes are paid into miscellaneous receipts of the Treasury (40 U. S. C. 431-434).

A. Statement of sources and application of funds

	1954 actual	1955 estimate	1956 estimate
FUNDS APPLIED			
To operations: Expenses:			
Payments in lieu of taxes.....	\$72	\$1,385	\$700
Payment of earnings to Treasury.....	16,356	16,241	
Increase in selected working capital items.....	1,898		
Total applied to operations.....	18,326	17,626	700
To financing: Increase in Treasury cash.....			1,170
Total funds applied.....	18,326	17,626	1,870
FUNDS PROVIDED			
By operations: Income: Land leasing.....	16,719	10,924	1,870
By financing: Decrease in Treasury cash.....	1,607	6,702	
Total funds provided.....	18,326	17,626	1,870

EFFECT ON TRUST EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Funds applied to operations.....	\$18,326	\$17,626	\$700
Funds provided by operations.....	16,719	10,924	1,870
Net effect on trust expenditures.....	1,607	6,702	—1,170

B. Statement of income and expense

	1954 actual	1955 estimate	1956 estimate
Income: Land leasing.....	\$16,719	\$10,924	\$1,870
Expenses: Payments in lieu of taxes.....	72	1,385	700
Net income for the year.....	16,647	9,539	1,170
ANALYSIS OF RETAINED EARNINGS			
Retained earnings, beginning of year.....	58,408	58,699	51,997
Less payment of earnings to Treasury.....	16,356	16,241	
Retained earnings, end of year.....	58,699	51,997	53,167

C. Statement of financial condition

	1954 actual	1955 estimate	1956 estimate
ASSETS			
Current assets: Cash with Treasury.....	\$58,699	\$51,997	\$53,167
NET TRUST INVESTMENT			
Retained earnings.....	58,699	51,997	53,167

DEPARTMENT OF AGRICULTURE—Continued

SOIL CONSERVATION SERVICE—Continued

*Payments in Lieu of Taxes and Operation and Maintenance Costs,
Water Conservation and Utilization Projects—Continued*

SCHEDULE A-1. Accrued expenditures by objects

Object classification	1954 actual	1955 estimate	1956 estimate
11 Grants, subsidies, and contributions.....	\$72	\$1,385	\$700
13 Refunds, awards, and indemnities.....	16,356	16,241	-----
Total accrued expenditures.....	16,428	17,626	700

*Technical Services and Other Assistance, Agricultural Conservation
Program, Soil Conservation Service, Department of Agriculture*

Appropriated (est.) 1955, \$6,000,000 Estimate 1956, \$6,000,000

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$5,200,376	\$6,000,000	\$6,000,000
Unobligated balance brought forward.....	2,689,734	2,807,755	3,129,255
Total available for obligation.....	7,890,110	8,807,755	9,129,255
Unobligated balance carried forward.....	-2,807,755	-3,129,255	-3,447,255
Obligations incurred.....	5,082,355	5,678,500	5,682,000

OBLIGATIONS BY ACTIVITIES

Providing technical and other assistance to farmers and ranchers in participating counties pursuant to agreements executed with individual State and county committees—1954, \$5,082,355; 1955, \$5,678,500; 1956, \$5,682,000.

PROGRAM AND PERFORMANCE

Individual county committees may apply for technical and other assistance in the planning and installation of conservation practices. Upon such application, amounts are allotted to the Soil Conservation Service from the appropriation "Agricultural conservation program" to provide farmers and ranchers with such assistance on a cost sharing basis under the agricultural conservation program. This assistance is over and above that which would be furnished under the regular Soil Conservation Service program to soil conservation districts.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
Total number of permanent positions.....	58	78	81
Full-time equivalent of all other positions.....	500	633	632
Average number of all employees.....	1,066	1,322	1,300
Number of employees at end of year.....	1,224	1,330	1,315
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$3,725	\$3,736	\$3,760
Average grade.....	GS-5.3	GS-5.2	GS-5.3
01 Personal services:			
Permanent positions.....	\$2,501,231	\$2,895,074	\$2,853,450
Positions other than permanent.....	1,439,891	1,818,238	1,819,458
Regular pay in excess of 52-week base.....	929	543	776
Payment above basic rates.....	2,149	3,745	3,316
Total personal services.....	3,944,200	4,717,600	4,677,000
02 Travel.....	95,906	114,200	136,000
03 Transportation of things.....	276	-----	-----
04 Communication services.....	4	-----	-----
07 Other contractual services.....	200,148	358,300	379,000
Services performed by other agencies.....	395,032	450,000	450,000
08 Supplies and materials.....	35	-----	-----
13 Refunds, awards, and indemnities.....	419,202	-----	-----
15 Taxes and assessments.....	27,552	38,400	40,000
Obligations incurred.....	5,082,355	5,678,500	5,682,000

ANALYSIS OF EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$221,544	\$180,930	\$459,430
Obligations incurred during the year.....	5,082,355	5,678,500	5,682,000
Obligated balance carried forward.....	5,303,899	5,859,430	6,141,430
-----	-180,930	-459,430	-341,430
Total expenditures.....	5,122,969	5,400,000	5,800,000

Allocations Received From Other Appropriation Accounts

NOTE.—Obligations incurred under allocations from other appropriations are shown in the schedules of the parent appropriation, as follows: "Miscellaneous contributed funds, Department of Agriculture."

AGRICULTURAL MARKETING SERVICE

*Expenses and Refunds, Inspection and Grading of Farm Products,
Agricultural Marketing Service*

Appropriated (est.) 1955, \$12,189,500 Estimate 1956, \$12,463,600

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate.....	\$12,776,100	\$12,189,500	\$12,463,600
Unobligated balance brought forward.....	2,583,864	3,210,973	3,227,873
Total available for obligation.....	15,359,964	15,400,473	15,691,473
Unobligated balance carried forward.....	-3,210,973	-3,227,873	-3,227,873
Obligations incurred.....	12,148,991	12,172,600	12,463,600

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
Inspection, grading, and certification of—			
(a) Fresh and processed fruits and vegetables.....	\$3,302,692	\$3,375,330	\$3,566,330
(b) Dairy and poultry products.....	4,692,275	4,900,775	5,000,775
(c) Rice, hay, beans, peas, seed, hops, and miscellaneous agricultural commodities.....	611,313	658,855	658,855
(d) Meats and wool.....	3,525,395	3,181,195	3,181,195
(e) Naval stores.....	17,916	19,170	19,170
(f) Cottonseed.....	37,275	37,275	37,275
Obligations incurred.....	12,148,991	12,172,600	12,463,600

PROGRAM AND PERFORMANCE

A permissive inspection and grading service for farm products is provided upon application of interested parties. This service is supported primarily by fees and, to a limited extent, by direct appropriations made to the Agricultural Marketing Service. In fiscal year 1955 only the permissive inspection and grading services on fresh fruits and vegetables, poultry and eggs, and naval stores are partially supported by appropriations. This schedule reflects the amount of fees received and the payment of salaries and other necessary expenses (7 U. S. C. 91-99; 1621-1627).

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
Total number of permanent positions.....	2,346	2,190	2,236
Full-time equivalent of all other positions.....	49	44	44
Average number of all employees.....	2,073	2,093	2,142
Number of employees at end of year.....	2,135	2,150	2,190
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,647	\$4,699	\$4,731
Average grade.....	GS-7.1	GS-7.1	GS-7.2
Ungraded positions: Average salary.....	\$3,912	\$3,634	\$3,634
01 Personal services:			
Permanent positions.....	\$9,405,704	\$9,573,700	\$9,845,700
Positions other than permanent.....	181,498	169,800	169,800
Regular pay in excess of 52-week base.....	35,631	33,500	34,500
Payment above basic rates.....	284,493	363,000	363,000
Total personal services.....	9,907,326	10,140,000	10,413,000

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
02 Travel.....	\$961,265	\$888,000	\$889,000
03 Transportation of things.....	49,769	30,000	30,000
04 Communication services.....	180,160	175,000	185,000
05 Rents and utility services.....	75,251	65,000	75,000
06 Printing and reproduction.....	74,635	70,000	80,000
07 Other contractual services.....	620,472	610,000	616,500
Services performed by other agencies.....	16,874	13,400	13,400
08 Supplies and materials.....	120,596	95,000	95,000
09 Equipment.....	76,804	50,000	50,400
13 Refunds, awards, and indemnities.....	3,248	200	300
15 Taxes and assessments.....	62,591	36,000	16,000
Obligations incurred.....	12,148,991	12,172,600	12,463,600

ANALYSIS OF EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$703,093	\$1,004,457	\$1,112,057
Obligations incurred during the year.....	12,148,991	12,172,600	12,463,600
Obligated balance carried forward.....	12,852,084	13,177,057	13,575,657
-1,004,457	-1,112,057	-1,150,657	
Total expenditures.....	11,847,627	12,065,000	12,425,000

Allocations Received From Other Appropriation Accounts

NOTE.—Obligations incurred under allocations from other appropriations are shown in the schedules of the parent appropriation, as follows: "Miscellaneous contributed funds, Department of Agriculture."

COMMODITY STABILIZATION SERVICE

Allocations Received From Other Appropriation Accounts

NOTE.—Obligations incurred under allocations from other appropriations are shown in the schedules of the parent appropriation, as follows: "Miscellaneous contributed funds, Department of Agriculture."

FARMERS' HOME ADMINISTRATION

State Rural Rehabilitation Funds, Farmers' Home Administration, Department of Agriculture

PROGRAM AND PERFORMANCE

These funds are being administered through the Farmers' Home Administration, under agreements with 42 individual States for use in carrying out the purposes of titles I and II of the Bankhead-Jones Farm Tenant Act, as amended. In these States, production-and-subsistence type loans are made at 5 percent interest. Also, in some States, farm-ownership type loans are made from these funds and insured under the regular Farmers' Home Administration insured-loan program at 3½ percent plus a 1 percent insurance charge. The entire program assets of the 42 States in the program are being administered by the Farmers' Home Administration, with the exception of \$2,662,591 which was returned to and held by several States for use in rural rehabilitation.

It is estimated that a total of 4,940 loans, amounting to \$13,400,000, will be made in 1956, 4,780 loans, amounting to \$13,000,000, in 1955, compared with 5,077 in 1954, amounting to \$10,027,889.

A. Statement of sources and application of funds

	1954 actual	1955 estimate	1956 estimate
FUNDS APPLIED			
To operations:			
Acquisition of assets:			
Loans made.....	\$10,027,889	\$13,000,000	\$13,400,000
Acquired security or collateral.....	7,438		
Judgments.....	7,623	5,000	4,000

A. Statement of sources and application of funds—Continued

	1954 actual	1955 estimate	1956 estimate
FUNDS APPLIED—Continued			
To operations—Continued			
Expenses:			
Administrative expenses.....	\$301,841	\$740,000	\$710,000
Other expenses.....	868	1,000	1,000
Charge-offs:			
Accounts receivable.....	15,456	20,000	20,000
Interest on loans receivable.....	299,531	340,000	300,000
Interest on accounts receivable.....	135	500	500
Funds transferred to States.....	250,000	280,000	265,000
Increase in selected working capital.....	389,295		
Total applied to operations.....	11,800,076	14,386,500	14,700,500
To financing: Increase in Treasury cash.....	232,998	1,153,600	650,500
Total funds applied.....	12,033,074	15,540,100	15,351,000
FUNDS PROVIDED			
By operations:			
Realization of assets:			
Loans repaid.....	10,440,011	13,305,000	13,400,000
Sale of acquired security or collateral.....	3,543	4,000	4,000
Sale of assets on loan to other agencies.....	4,200		
Sale of land and structures.....	6,574	10,000	8,000
Collection on judgments.....	12,865	10,000	8,000
Income:			
Interest on loans.....	1,546,189	1,675,000	1,740,000
Other interest income.....	2,800	2,000	500
Rent.....	8,546	8,000	6,000
Proceeds from sale of mineral interests.....	7,690	9,000	9,000
Other income.....	656		
Decrease in selected working capital.....		517,100	175,500
Total funds provided.....	12,033,074	15,540,100	15,351,000

EFFECT ON TRUST EXPENDITURES

Funds applied to operations.....	\$11,800,076	\$14,386,500	\$14,700,500
Funds provided by operations.....	12,033,074	15,540,100	15,351,000
Net effect on trust expenditures.....	-232,998	-1,153,600	-650,500

B. Statement of income and expense

	1954 actual	1955 estimate	1956 estimate
Income:			
Interest on loans.....	\$1,546,189	\$1,675,000	\$1,740,000
Other interest income.....	2,800	2,000	500
Rent.....	8,546	8,000	6,000
Other income.....	656		
Total income.....	1,558,191	1,685,000	1,746,500
Expenses:			
Administrative expenses.....	801,841	740,000	710,000
Other expenses.....	868	1,000	1,000
Charge-offs:			
Loans receivable.....	677,598	700,000	640,000
Accounts receivable.....	15,456	20,000	20,000
Interest on loans receivable.....	299,531	340,000	300,000
Interest on accounts receivable.....	135	500	500
Judgments.....	3,960		
Decrease (—) in allowance for losses.....	-253,856	-971,619	-710,256
Total expenses.....	1,545,533	829,881	961,244
Net income from operations.....	12,658	855,119	785,256
Nonoperating income:			
Proceeds from sales of mineral interests.....	7,690	9,000	9,000
Proceeds from sale of assets.....	14,317	14,000	12,000
Book value of assets sold:			
Assets on loan.....	-877		
Acquired security or collateral.....	-866	-4,000	-4,000
Land and structures.....	-10,815	-10,000	-8,000
Net nonoperating income.....	9,449	9,000	9,000
Net income for the year.....	22,107	864,119	794,256
ANALYSIS OF DEFICIT			
Deficit (—), beginning of year.....	-5,320,258	-5,176,021	-4,311,902
Adjustment of balance at beginning of year: Deficits closed to old trust agreements.....	122,130		
Deficit (—), end of year.....	-5,176,021	-4,311,902	-3,517,646

DEPARTMENT OF AGRICULTURE—Continued

FARMERS' HOME ADMINISTRATION—Continued

State Rural Rehabilitation Funds, Farmers' Home Administration,
Department of Agriculture—Continued

C. Statement of financial condition

	1954 actual	1955 estimate	1956 estimate
ASSETS			
Current assets:			
Cash with Treasury	\$4,110,794	\$5,264,394	\$5,914,894
Cash on hand and in transit	751,399	350,000	300,000
Accounts receivable	239,109	206,212	178,212
Less allowance for losses	150,030	178,965	124,748
Net accounts receivable	89,079	27,247	53,464
Accrued interest on loans receivable	2,977,755	2,867,755	2,763,755
Less allowance for losses	1,633,737	1,640,625	1,478,750
Net accrued interest on loans receivable	1,344,018	1,227,130	1,285,005
Accrued interest on accounts receivable	3,535	11,035	12,535
Less allowance for losses	2,651	8,276	10,151
Net accrued interest on accounts receivable	884	2,759	2,384
Undistributed charges	1,037		
Total current assets	6,297,211	6,871,530	7,555,747
Loans receivable	35,159,537	33,854,537	33,004,537
Less allowance for losses	6,341,078	5,309,261	4,797,472
Net loans receivable	28,818,459	28,545,276	28,207,065
Acquired security or collateral	10,652	16,652	22,652
Land and structures: Real estate	70,208	70,208	62,208
Other assets:			
Judgments	196,221	221,221	242,221
Less allowance for losses	147,166	165,916	181,666
Net other assets	49,055	55,305	60,555
Total assets	35,245,585	35,558,971	35,908,227
LIABILITIES			
Current liabilities:			
Accrued expenses	67,836	55,000	50,000
Undistributed credits	7,897		
Total liabilities	75,733	55,000	50,000
INVESTMENT OF STATES			
Assets transferred under trust agreement (net)	39,605,575	39,165,575	38,725,575
Donated assets	650,298	650,298	650,298
Deficit (—)	—5,176,021	—4,311,902	—3,517,646
Net investment of States	35,169,852	35,503,971	35,858,227
Net liabilities and investment of States	35,245,585	35,558,971	35,908,227

¹ Undisbursed loan commitments: 1954, \$571,435; 1955, \$500,000; 1956, \$500,000.

SCHEDULE A-1. Accrued expenditures by objects

Object classification	1954 actual	1955 estimate	1956 estimate
Total number of permanent positions	152	150	141
Full-time equivalent of all other positions	1	1	1
Average number of all employees	161	143	136
Number of employees at end of year	118	143	136
Average salaries and grades:			
General schedule grades:			
Average salary	\$4,199	\$4,216	\$4,226
Average grade	GS-5.3	GS-5.4	GS-5.4
01 Personal services:			
Permanent positions	\$674,771	\$606,775	\$577,880
Positions other than permanent	634	2,950	2,950
Regular pay in excess of 52-week base	2,233	2,250	2,200
Total personal services	677,638	611,975	583,030
02 Travel	65,677	66,000	64,300
07 Other contractual services	7,656	7,000	7,200
Services performed by other agencies	48,371	53,025	53,470
13 Refunds, awards, and indemnities	1,438		
15 Taxes and assessments	1,061	2,000	2,000
16 Investments and loans	10,027,889	13,000,000	13,400,000
Undistributed charges	331,051	366,500	325,500
Total accrued expenditures	11,160,781	14,106,500	14,435,500

OFFICE OF INFORMATION

Allocations Received From Other Appropriation Accounts

NOTE.—Obligations incurred under allocations from other appropriations are shown in the schedules of the parent appropriation, as follows: "Miscellaneous contributed funds, Department of Agriculture."

MISCELLANEOUS

Expenses of Foreign Students, Agriculture

AMOUNTS AVAILABLE FOR OBLIGATION

Appropriation or estimate (obligations incurred)—1954, \$1,565.

OBLIGATIONS BY ACTIVITIES

Chilean funds advanced by Institute of Inter-American Affairs in connection with certain training grants—1954, \$1,565.

OBLIGATIONS BY OBJECTS

11 Grants, subsidies, and contributions—1954, \$1,565.

ANALYSIS OF EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward		\$665	
Obligations incurred during the year	\$1,565		
Obligated balance carried forward	—665		
Total expenditures	900	665	

Miscellaneous Contributed Funds, Department of Agriculture

Appropriated (estimate) 1955, \$323,059 Estimate 1956, \$389,432

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Appropriation or estimate	\$1,147,416	\$323,059	\$389,432
Unobligated balance brought forward	218,769	832,586	289,093
Recovery of prior year obligations	44,325		
Reimbursements from other accounts	221		
Total available for obligation	1,410,731	1,155,645	678,525
Unobligated balance carried forward	—832,586	—289,093	—40,854
Obligations incurred	578,145	866,552	637,671

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations</i>			
1. Cooperative work on barberry eradication; inspection and clearance of flower bulbs from the Netherlands to the United States; research on insecticides; and expanding and intensifying research designed to control the pink bollworm	\$50,312	\$65,000	\$65,000
2. Cooperative work on field crops, horticultural crops, soils, and agricultural engineering	76,112	80,100	74,600
3. Cooperative research and tests of chemical materials used for control of weeds	1,295	17	
4. Cooperative study of agricultural financing and cooperation in preparing a monograph on the Structure of American Agriculture	11,229	1,338	
5. Cooperative work on preparation of an exhibit on superior meat-type hogs	1,765		
6. Cooperative research to determine the relative efficiency of electricity and liquefied petroleum gas in family cooking		2,930	
7. Contribution toward cooperative work with land-grant colleges on appropriate in-service training activities through summer-session courses for extension workers	2,807	2,000	2,000
8. Contribution toward the services of a coordinator and for a cooperative study to evaluate progress and effectiveness of the International Farm Youth Exchange Program	8,866	3,044	
9. Contribution toward the services of an educationist to plan, organize and conduct special phases of the educational program of the International Farm Youth Exchange Program	4,791		

OBLIGATIONS BY ACTIVITIES—continued

Description	1954 actual	1955 estimate	1956 estimate
<i>Direct Obligations—Continued</i>			
10. Cooperative work on blister-rust control.....	\$202, 776	\$104, 355	-----
11. Comparison of methods for accelerated tests of wood decay.....	2, 523	2, 076	-----
12. Study of biological problems relating to disease control in forest nurseries.....	1, 705	10	-----
13. Flood control works of improvement on the Los Angeles River watershed.....	-----	300, 000	\$243, 239
14. Cooperation with Clatsop and Columbia Counties in Oregon for aerial photography work to be furnished by the Soil Conservation Service.....	4, 127	1, 473	-----
15. Cooperation with the Weber Basin Water Conservancy District in conducting snow surveys and water-supply forecasts in the Weber River Basin.....	105	-----	-----
16. Cooperation with the Tallahatchie Drainage District and the Tallahatchie River Conservancy District in connection with works of improvement for runoff and waterflow retardation in the Little Tallahatchie River Watershed.....	-----	43, 647	-----
17. Cooperation with the Firebough Soil Conservancy District, California on erosion control and soil conservation work.....	324	-----	-----
18. Cooperation with various contributors in an emergency flood restoration program.....	64, 094	3, 393	-----
19. Cooperation with various contributors in a survey of watersheds for runoff and waterflow retardation and soil erosion prevention.....	986	63, 166	122, 832
20. Cooperation with California Department of Public Works, division of water resources on barrier investigations in the San Francisco Bay area relating to irrigation and conservancy of water.....	3, 106	-----	-----
21. Cooperation with the Central and Southern Florida Flood Control District on water control in the Everglades area.....	5, 426	-----	-----
22. Cooperation with various contributors for research on retail store availability and consumer panel purchases of fruits and fruit products.....	59, 703	39, 405	40, 000
23. Cooperative work on estimating the distribution and utilization of wheat in the Pacific Northwest.....	663	-----	-----
24. Cooperative work on control of insects in stored grain.....	12, 688	2, 160	-----
25. Cooperative research on insect infestation in whole black pepper.....	6, 368	7, 520	7, 500
26. Cooperative work on industrial fumigants for stored products.....	6, 495	3, 505	-----
27. Cooperative studies on consumer purchases of specified dairy products.....	-----	30, 000	25, 000
28. Aerial survey and preparation of photographs and charts.....	35, 635	94, 890	50, 000
29. Cooperation with States on production and distribution of motion pictures and exhibits.....	14, 023	10, 000	7, 500
30. Returned to donor.....	-----	6, 523	-----
Total direct obligations.....	577, 924	866, 552	637, 671
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
10. Cooperative work on blister-rust control.....	221	-----	-----
Obligations incurred.....	578, 145	866, 552	637, 671

PROGRAM AND PERFORMANCE

Miscellaneous contributed funds received by the Department from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U. S. C. 67, 563).

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
ALLOCATION TO AGRICULTURAL RESEARCH SERVICE			
Total number of permanent positions.....	19	20	20
Full-time equivalent of all other positions.....	4	5	5
Average number of all employees.....	22	23	23
Number of employees at end of year.....	22	22	22

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
ALLOCATION TO AGRICULTURAL RESEARCH SERVICE—continued			
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4, 161	\$4, 508	\$4, 558
Average grade.....	GS-6.2	GS-7.0	GS-7.0
Ungraded positions: Average salary.....	\$2, 515	\$2, 488	\$2, 505
01 Personal services:			
Permanent positions.....	\$69, 514	\$69, 742	\$68, 980
Positions other than permanent.....	15, 164	18, 231	17, 650
Regular pay in excess of 52-week base.....	211	265	270
Payment above basic rates.....	1, 645	2, 100	2, 100
Total personal services.....	86, 534	90, 338	89, 000
02 Travel.....	18, 893	17, 600	17, 400
03 Transportation of things.....	1, 046	300	300
04 Communication services.....	244	300	300
05 Rents and utility services.....	489	500	500
06 Printing and reproduction.....	6	2, 930	-----
07 Other contractual services.....	12, 463	12, 600	10, 600
Services performed by other agencies.....	5, 983	7, 200	5, 200
08 Supplies and materials.....	11, 987	13, 300	13, 200
09 Equipment.....	2, 855	4, 200	3, 000
13 Refunds, awards, and indemnities.....	240	17	-----
15 Taxes and assessments.....	532	700	700
Subtotal.....	141, 272	149, 985	140, 200
Deduct charges for quarters and subsistence.....	559	600	600
Obligations incurred.....	140, 713	149, 385	139, 600
ALLOCATION TO FEDERAL EXTENSION SERVICE			
Total number of permanent positions.....	2	-----	-----
Average number of all employees.....	2	-----	-----
Number of employees at end of year.....	-----	-----	-----
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$7, 800	-----	-----
Average grade.....	GS-12.0	-----	-----
01 Personal services: Permanent positions.....	\$10, 273	-----	-----
02 Travel.....	6, 105	\$5, 044	\$2, 000
03 Transportation of things.....	10	-----	-----
04 Communication services.....	54	-----	-----
06 Printing and reproduction.....	22	-----	-----
13 Refunds, awards, and indemnities: Returned to donor.....	-----	6, 523	-----
Obligations incurred.....	16, 464	11, 567	2, 000
ALLOCATION TO FOREST SERVICE			
Total number of permanent positions.....	2	1	-----
Full-time equivalent of all other positions.....	18	5	-----
Average number of all employees.....	19	6	-----
Number of employees at end of year.....	128	-----	-----
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4, 955	\$4, 955	-----
Average grade.....	GS-7.0	GS-7.0	-----
Ungraded positions: Average salary.....	\$4, 800	-----	-----
<i>Direct Obligations</i>			
01 Personal services:			
Permanent positions.....	\$8, 389	\$2, 054	-----
Positions other than permanent.....	67, 212	18, 066	-----
Regular pay in excess of 52-week base.....	20	-----	-----
Payment above basic rates.....	12, 104	-----	-----
Total personal services.....	87, 725	20, 120	-----
02 Travel.....	6, 311	200	-----
03 Transportation of things.....	70	100	-----
04 Communication services.....	43	-----	-----
05 Rents and utility services.....	2	-----	-----
06 Printing and reproduction.....	301	300	-----
07 Other contractual services.....	87, 146	74, 756	-----
Services performed by other agencies.....	703	400	-----
08 Supplies and materials.....	22, 646	9, 500	-----
09 Equipment.....	459	500	-----
13 Refunds, awards, and indemnities.....	189	200	-----
15 Taxes and assessments.....	1, 426	365	-----
Subtotal.....	207, 021	106, 441	-----
Deduct charges for quarters and subsistence.....	17	-----	-----
Total direct obligations.....	207, 004	106, 441	-----
<i>Obligations Payable Out of Reimbursements From Other Accounts</i>			
02 Travel.....	221	-----	-----
Obligations incurred.....	207, 225	106, 441	-----

DEPARTMENT OF AGRICULTURE—Continued

MISCELLANEOUS—Continued

Miscellaneous Contributed Funds, Department of Agriculture—Con.

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
ALLOCATION TO SOIL CONSERVATION SERVICE			
Average number of all employees.....	1		
Number of employees at end of year.....			
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$8,210		
Average grade.....	GS-12.6		
01 Personal services:			
Permanent positions.....	\$3,284		
Positions other than permanent.....	422		
Total personal services.....	3,706		
02 Travel.....	295		
06 Printing and reproduction.....	28	\$50	
07 Other contractual services.....	72,676	364,295	\$366,071
09 Equipment.....	77		
13 Refunds, awards, and indemnities.....	1,380	47,334	
15 Taxes and assessments.....	6		
Obligations incurred.....	78,168	411,679	366,071

ALLOCATION TO AGRICULTURAL MARKETING SERVICE			
Total number of permanent positions.....	6	1	1
Average number of all employees.....	5	1	1
Number of employees at end of year.....	5	1	1
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$3,938	\$6,140	\$6,340
Average grade.....	GS-5.3	GS-11.0	GS-11.0
01 Personal services:			
Permanent positions.....	\$21,190	\$6,554	\$6,340
Positions other than permanent.....	345		
Regular pay in excess of 52-week base.....	90	24	25
Total personal services.....	21,625	6,578	6,365
02 Travel.....	1,506	1,500	535
03 Transportation of things.....	727	25	25
04 Communication services.....	20	25	25
06 Printing and reproduction.....	44		
07 Other contractual services:	60,182	72,630	65,000
Services performed by other agencies.....		460	300
08 Supplies and materials.....	1,003	1,286	200
09 Equipment.....	601	86	50
15 Taxes and assessments.....	209		
Obligations incurred.....	\$5,917	\$2,590	72,500

ALLOCATION TO COMMODITY STABILIZATION SERVICE			
07 Other contractual services (obligations incurred).....	\$35,635	\$94,890	\$50,000

ALLOCATION TO OFFICE OF INFORMATION			
03 Transportation of things.....	\$1,803	\$1,500	\$1,000
07 Other contractual services: Services performed by other agencies.....	12,220	8,500	6,500
Obligations incurred.....	14,023	10,000	7,500

SUMMARY			
Total number of permanent positions.....	29	22	21
Full-time equivalent of all other positions.....	22	10	5
Average number of all employees.....	49	30	24
Number of employees at end of year.....	155	23	23
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,630	\$4,647	\$4,685
Average grade.....	GS-6.9	GS-7.3	GS-7.3
Ungraded positions: Average salary.....	\$2,842	\$2,488	\$2,505
Direct Obligations			
01 Personal services:			
Permanent positions.....	\$112,650	\$78,350	\$75,320
Positions other than permanent.....	83,143	36,297	17,650
Regular pay in excess of 52-week base.....	321	289	295
Payment above basic rates.....	13,749	2,100	2,100
Total personal services.....	209,863	117,036	95,365
02 Travel.....	33,110	24,344	19,935
03 Transportation of things.....	3,656	1,925	1,325

OBLIGATIONS BY OBJECTS—continued

Object classification	1954 actual	1955 estimate	1956 estimate
Direct Obligations—Continued			
04 Communications services.....	\$361	\$325	\$325
05 Rents and utility services.....	491	500	500
06 Printing and reproduction.....	401	3,280	
07 Other contractual services:	268,102	619,171	491,671
Services performed by other agencies.....	18,906	16,560	12,000
08 Supplies and materials.....	35,636	24,086	13,400
09 Equipment.....	3,992	4,786	3,050
13 Refunds, awards, and indemnities:	1,809	47,551	
Returned to donor.....		6,523	
15 Taxes and assessments.....	2,173	1,065	700
Subtotal.....	578,500	867,152	638,271
Deduct charges for quarters and subsistence.....	576	600	600
Total direct obligations.....	577,924	866,552	637,671
Obligations Payable Out of Reimbursements From Other Accounts			
02 Travel.....	221		
Obligations incurred.....	578,145	866,552	637,671

ANALYSIS OF EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$810,938	\$353,809	\$220,361
Obligations incurred during the year.....	578,145	866,552	637,671
Adjustment in obligations of prior years.....	1,389,083	1,220,361	858,032
Reimbursements.....	-44,325		
Obligated balance carried forward.....	-221		
Total expenditures.....	990,728	1,000,000	634,000

Technical Assistance, United States Dollars Advanced From Foreign Governments, Agriculture

AMOUNTS AVAILABLE FOR OBLIGATION

Unobligated balance brought forward (obligations incurred)—1954, \$1,385.

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
1. Analysis of soil and water samples for other countries.....	\$480		
2. Returned to donor.....	905		
Obligations incurred.....	1,385		

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
07 Other contractual services: Services performed by other agencies.....	\$480		
13 Refunds, awards, and indemnities: Returned to donor.....	905		
Obligations incurred.....	1,385		

ANALYSIS OF EXPENDITURES

Obligations incurred during the year (total expenditures)—1954, \$1,385.

Consolidated Working Fund, Agriculture, Agricultural Research Service (Trust Fund)

ANALYSIS OF BALANCES AND EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Balance brought forward:			
Unobligated.....	\$24,000	\$32,000	\$26,500
Obligated.....	12,826	7,526	7,526
Balance carried forward:			
Unobligated.....	-32,000	-26,500	-21,000
Obligated.....	-7,526	-7,526	-7,526
Total expenditures.....	-2,700	5,500	5,500

NOTE.—The supporting schedules for this consolidation will be found in detail in the working funds section of this chapter.

OBLIGATIONS BY ACTIVITIES

Audit of public health community facilities projects—1954, \$7,800; 1955, \$4,500.

OBLIGATIONS BY OBJECTS

07 Other contractual services—1954, \$7,800; 1955, \$4,500.

ANALYSIS OF EXPENDITURES

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$14,196	\$1,764	-----
Obligations incurred during the year.....	7,800	4,500	-----
Reimbursements.....	21,996	6,264	-----
Obligated balance carried forward.....	-7,800	-4,500	-----
	-1,764		-----
Total expenditures.....	12,432	1,764	-----
EFFECT ON BUDGET EXPENDITURES			
Funds applied to operations.....	20,232	6,264	-----
Funds provided by operations.....	7,800	4,500	-----
Net effect on budget expenditures.....	12,432	1,764	-----
The above are charged to net receipts of the fund.....	12,432	1,764	-----

DEPARTMENT OF AGRICULTURE

Consolidated Working Fund, Agriculture

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Unobligated balance brought forward.....	\$589,071	\$358,234	-----
Advanced from other accounts.....	668,088	31,679	-----
Recovery of prior year obligations.....	172,237		-----
Total available for obligation.....	1,429,396	389,913	-----
Unobligated balance carried forward.....	-358,234		-----
Advances returned to other accounts.....	-365,955	-140,275	-----
Unobligated balance, estimated savings.....	-8,883		-----
Obligations incurred.....	696,324	249,638	-----

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
1. To cover cost of research on plants which may be sources for the drug, cortisone (Bureau of Plant Industry, Soils, and Agricultural Engineering).....	\$5,000		-----
2. Study of the dehydration of fruits and vegetables for Department of the Army.....	5,870		-----
3. Special project for Department of the Army.....	21,491		-----
4. Chemical and physical analysis of soils and their relation to irrigation agriculture for Department of the Interior.....	4,036		-----
5. Services relating to fungicidal treatment of ammunition boxes for Department of the Army.....	2,405		-----
6. Production of seed for General Services Administration.....	425	\$485	-----
7. For conducting studies of the characteristics of nitrating pulps (Department of the Army).....	9,983		-----
8. To construct 0.6 mile of road to facilitate building and operation of an automatic rain gauge station in Pocahontas County, W. Va. (Department of the Army, Corps of Engineers).....	1,950		-----
9. For research and development of forest products for packaging (Department of the Navy, Bureau of Supplies and Accounts).....	27,348		-----
10. Special project (National Advisory Committee on Aeronautics).....	20,000		-----
11. Collection of forest products data (Department of Commerce, Bureau of the Census).....	7,699		-----
12. Investigation of applications, and construction, maintenance and improvement of access roads to sources of raw materials (Department of Commerce, Bureau of Public Roads).....	50,270	13,003	-----
13. Investigation and supervision of Federal Power Commission projects (Federal Power Commission).....	1,085		-----

OBLIGATIONS BY ACTIVITIES—continued

Description	1954 actual	1955 estimate	1956 estimate
14. To cover costs of fire protection on certain lands under the jurisdiction of Bureau of Land Management (Department of Commerce).....	\$104,310		-----
15. For smoke-jumper services on Park Service land (Department of the Interior).....	5,567		-----
16. For participation in a soil and moisture conservation program within the Boise National Forest (Department of the Interior).....	14,798		-----
17. Rehabilitation or relocation of national forest resources and improvements damaged or destroyed by Department of Interior activities (Department of the Interior).....	19,408	\$40,091	-----
18. To cover costs of developing packaging specifications for parcel post (Post Office Department).....	14,942		-----
19. For technical assistance on power-line pole problems (Rural Electrification Administration).....	18,980		-----
20. Grading of wool (Commodity Stabilization Service).....	16,946	9,500	-----
21. Furnishing cost-of-production and special crop data for various crops insured by the Federal Crop Insurance Corporation (Federal Crop Insurance Corporation).....	58,599		-----
22. For conducting a training program in agriculture for Finnish nationals (Department of State).....	4,950		-----
23. Classification of cotton (Commodity Credit Corporation).....	78,778		-----
24. Grading of wool (Commodity Credit Corporation).....	181,073	164,326	-----
25. For work in connection with Rural Electrification Administration Co-operatives.....	17,209	18,950	-----
26. Special bibliographical services on bee culture (Agricultural Research Service, Entomology Research Branch).....	3,202	3,253	-----
Obligations incurred.....	696,324	249,638	-----

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
Total number of permanent positions.....	42	8	-----
Full-time equivalent of all other positions.....	23	11	-----
Average number of all employees.....	101	40	-----
Number of employees at end of year.....	64	30	-----
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$4,474	\$4,783	-----
Average grade.....	GS-6.2	GS-6.7	-----
Ungraded positions: Average salary.....	\$3,228		-----
01 Personal services:			
Permanent positions.....	\$341,615	\$152,445	-----
Positions other than permanent.....	76,451	35,884	-----
Regular pay in excess of 52-week base.....	1,141	568	-----
Payment above basic rates.....	1,027	250	-----
Total personal services.....	420,234	189,147	-----
02 Travel.....	36,170	33,470	-----
03 Transportation of things.....	1,634	655	-----
04 Communication services.....	4,505	4,015	-----
05 Rents and utility services.....	2,614	1,987	-----
06 Printing and reproduction.....	20		-----
07 Other contractual services.....	18,074	4,550	-----
Services performed by other agencies.....	95,239		-----
08 Supplies and materials.....	64,045	13,394	-----
09 Equipment.....	43,555	756	-----
10 Lands and structures.....	1,950		-----
11 Grants, subsidies, and contributions.....	4,950		-----
13 Refunds, awards, and indemnities.....	1,280	200	-----
15 Taxes and assessments.....	2,572	1,464	-----
Subtotal.....	696,842	249,638	-----
Deduct charges for quarters and subsistence.....	518		-----
Obligations incurred.....	696,324	249,638	-----

ANALYSIS OF EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$836,354	\$131,538	\$26,616
Adjustment in obligations of prior years.....	247,435	139,975	-----
Obligations incurred during the year.....	696,324	249,638	-----
Reimbursements.....	1,780,113	521,151	26,616
Obligated balance carried to certified claims account.....	-668,088	-31,679	-----
	-33,079		-----

DEPARTMENT OF AGRICULTURE—Continued

Consolidated Working Fund, Agriculture—Continued

ANALYSIS OF EXPENDITURES—continued

	1954 actual	1955 estimate	1956 estimate
Obligated balance carried forward.....	—\$131,538	—\$26,616	
Total expenditures.....	947,408	462,856	\$26,616
EFFECT ON BUDGET EXPENDITURES			
Funds applied to operations.....	1,615,496	494,535	26,616
Funds provided by operations.....	668,088	31,679	
Net effect on budget expenditures.....	947,408	462,856	26,616
The above are charged to net receipts of the fund.....	947,408	462,856	26,616

Consolidated Working Fund, Agriculture, Agricultural Research Service (Trust Fund)

AMOUNTS AVAILABLE FOR OBLIGATION

	1954 actual	1955 estimate	1956 estimate
Unobligated balance brought forward.....	\$24,000	\$32,000	\$26,500
Advanced from other accounts.....	73,500	54,500	54,500
Total available for obligation.....	97,500	86,500	81,000
Unobligated balance carried forward.....	—32,000	—26,500	—21,000
Obligations incurred.....	65,500	60,000	60,000

OBLIGATIONS BY ACTIVITIES

For research and survey activities relating to continuing and expanding abaca production in Western Hemisphere (General Services Administration)—1954, \$65,500; 1955, \$60,000; 1956, \$60,000.

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
Total number of permanent positions.....	6	5	5
Full-time equivalent of all other positions.....	2	1	1
Average number of all employees.....	6	6	6
Number of employees at end of year.....	6	6	6
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,406	\$5,894	\$5,894
Average grade.....	GS-8.4	GS-9.5	GS-9.5
01 Personal services:			
Permanent positions.....	\$26,702	\$24,000	\$24,000
Positions other than permanent.....	8,656	1,900	1,900
Regular pay in excess of 52-week base.....	97	100	100
Payment above basic rates.....	6,943	7,800	7,800
Total personal services.....	42,398	33,800	33,800
02 Travel.....	5,068	5,000	5,000
03 Transportation of things.....	251	1,200	1,200
04 Communication services.....	9	300	300
05 Rents and utility services.....	2,145	2,100	2,100
06 Printing and reproduction.....	170		
07 Other contractual services.....	13,302	11,000	11,000
Services performed by other agencies.....	295	3,500	3,500
08 Supplies and materials.....	865	2,000	2,000
09 Equipment.....	888	1,000	1,000
15 Taxes and assessments.....	109	100	100
Obligations incurred.....	65,500	60,000	60,000

ANALYSIS OF EXPENDITURES

	1954 actual	1955 estimate	1956 estimate
Obligated balance brought forward.....	\$12,826	\$7,526	\$7,526
Obligations incurred during the year.....	65,500	60,000	60,000
Reimbursements.....	78,326	67,526	67,526
Obligated balance carried forward.....	—73,500	—54,500	—54,500
Total expenditures.....	—2,700	5,500	5,500

DEPARTMENT OF COMMERCE

OFFICE OF THE SECRETARY

Consolidated Working Fund, Commerce, Office of the Secretary of Commerce

AMOUNTS AVAILABLE FOR OBLIGATION

(Balances for June 30, 1954, are as certified under sec. 1311, Public Law 663)

	1954 actual	1955 estimate	1956 estimate
Unobligated balance brought forward.....	\$4,041		
Advanced from other accounts.....	342,351	\$274,074	\$252,027
Total available for obligation.....	346,392	274,074	252,027
Advances returned to other accounts.....	—4,041		
Unobligated balance, estimated savings.....	—27,488		
Obligations incurred.....	314,863	274,074	252,027
Obligations reflected under "Salaries and expenses, Office of Defense Mobilization".....	—28,564		
Total obligations.....	286,299	274,074	252,027

OBLIGATIONS BY ACTIVITIES

Description	1954 actual	1955 estimate	1956 estimate
1. Air Coordinating Committee:			
Civil Aeronautics Board.....	\$23,047	\$21,447	\$23,682
Department of the Air Force.....	39,146	37,767	40,599
Department of the Army.....	25,819	24,246	26,589
Department of Commerce.....	23,937	17,584	19,679
Department of the Navy.....	29,627	28,108	30,592
Department of State.....	16,636	14,974	16,962
Post Office Department.....	16,636	14,974	16,962
Treasury Department.....	16,636	14,974	16,962
Subtotal.....	191,484	174,074	192,027
2. Government Patents Board:			
Department of Agriculture.....	9,482	10,000	5,000
Department of Commerce.....	4,267	4,500	2,000
Department of Defense.....	59,733	63,000	47,000
Department of Health, Education, and Welfare.....	4,267	4,500	2,000
Department of the Interior.....	4,267	4,500	2,000
Department of Justice.....	2,370	2,500	
Department of State.....	1,895	2,000	
General Services Administration.....	4,267	4,500	
National Advisory Committee for Aeronautics.....	4,267	4,500	2,000
Subtotal.....	94,815	100,000	60,000
Total obligations.....	286,299	274,074	252,027

OBLIGATIONS BY OBJECTS

Object classification	1954 actual	1955 estimate	1956 estimate
Total number of permanent positions.....	44	43	36
Full-time equivalent of all other positions.....	1	1	
Average number of all employees.....	44	42	36
Number of employees at end of year.....	44	43	36
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,612	\$5,811	\$6,183
Average grade.....	GS-7.8	GS-8.0	GS-8.6
01 Personal services:			
Permanent positions.....	\$239,321	\$238,731	\$222,489
Positions other than permanent.....	4,734	3,000	1,000
Regular pay in excess of 52-week base.....	953	961	858
Payment above basic rates.....	1,170		
Total personal services.....	246,178	242,692	224,347
02 Travel.....	4,078	3,500	3,000
03 Transportation of things.....	29	100	100
04 Communication services.....	5,427	6,500	5,600
06 Printing and reproduction.....	14,478	10,350	10,040
07 Other contractual services.....	2,822	1,900	1,600
08 Supplies and materials.....	7,383	5,757	4,440
09 Equipment.....	5,127	2,875	1,900
15 Taxes and assessments.....	777	400	400
Total obligations.....	286,299	274,074	252,027

INTRODUCTION TO PART IV

Part IV of the budget contains special analyses of budget data and Federal programs. These analyses supplement material appearing in other parts of the budget. Most of the analyses include explanatory material which expands and elaborates these introductory notes.

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

Special Analysis A presents information on the flow of money between the public and the Federal Government as a whole, including both Federal funds and trust (and deposit) funds. Major intragovernmental and noncash transactions are excluded. This analysis also presents a reconciliation with the concept of "cash deposits and withdrawals" as used in the Daily Statement of the United States Treasury.

ANALYSIS OF THE BUDGET BY FUNCTION AND AGENCY

Special Analysis B gives the details for the functional breakdown of authorizations and expenditures. It is compiled by regrouping the figures found in the chapter summaries of part II. The code numbers used in the chapter summaries are the key to the grouping found in this analysis.

DETAILS AND EXPLANATION OF BUDGET RECEIPTS

Special Analysis C presents details on the budget receipts summarized in table 1. It includes a statement explaining the receipt estimates, together with a table giving a classification of receipts by source. The figures include receipts of both the general fund and the special funds. The text pertaining to taxes, customs, and refunds is prepared by the Treasury Department.

CHARACTER ANALYSES OF BUDGET EXPENDITURES

Special Analysis D analyzes budget expenditures in terms of the duration and nature of the benefits derived. Expenditures of an *investment* type are shown in two major categories—one for acquisition or improvement of Federal assets, and the other for developmental purposes such as additions to State, local, and private assets, and expenditures for research, education, and health. Expenditures yielding *current* benefits are also grouped in two major categories—one for aids and services to special groups and the other for the remaining current expenditures. Receipts of public enterprise funds are classified according to the same categories as the corresponding expenditures. No adjustments are made for depreciation, obsolescence, allowances for potential losses on loans, and other items not reflected in current expenditure data.

Special Analysis E gives detailed information on the major Federal programs involving direct loans, loan in-

surance, and loan guaranties. It provides data on commitment authority, commitments, expenditures, repayments, and outstanding loans, guaranties, and insurance.

Special Analysis F provides an analysis of the construction activities of the Federal Government. It presents detailed information on direct Federal public works and Federal grants and loans for public works. It gives summary information on Federal financial assistance for certain international public works, semipublic works, and construction by private business and individuals.

Special Analysis G brings together information on those items in the budget which are for Federal aid to State and local governments. It includes grants-in-aid, shared revenues, and loans (including repayable advances).

Special Analysis H shows the amounts devoted to research and development purposes. It includes both basic and applied research and the construction of research facilities.

FEDERAL ECONOMIC STATISTICAL PROGRAMS

Special Analysis I presents the current level of and recommended budget for the major economic statistical programs of the Federal Government.

SELECTED INVESTMENT AND INTERFUND TRANSACTIONS

Special Analysis J sets forth certain investment and interfund transactions which are not reflected in the expenditures or receipts shown elsewhere in the budget. The first two groups of these are the investments by revolving and trust funds in United States Government securities and the net borrowing or repayment of debt to the public by wholly owned corporations. The totals of these transactions, while not a part of budget expenditures or receipts, affect the financing requirements of the Government as a whole, and therefore are carried forward from this analysis to table 3 in part I. The other group of transactions included in this table constitutes the payments by the revolving funds to the general fund, representing the return of capital or the distribution of earnings; such payments are excluded from budget expenditures and budget receipts in parts I and II of the budget in order to avoid inflating both sides of the budget. They are set forth here to make the record complete.

HISTORICAL COMPARISON OF BUDGET FIGURES

Special Analysis K presents a 10-year comparison of budget receipts and expenditures. The receipts are classified by source and the expenditures by function. Technical notes set forth the changes in classifications since the 1955 budget. As in Special Analysis B, the code numbers appearing in the chapter summaries of part II are the key to the grouping of items in the expenditure section of this analysis.

SPECIAL ANALYSIS A

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

This analysis presents information on the flow of money between the public and the Federal Government as a whole.

By definition, the public includes individuals, banks, other private corporations and associations, and unincorporated businesses. The Federal Reserve System, the United States Postal Savings System, State and local governments, foreign governments, and international organizations are also defined as part of the public.

Federal Government receipts and payments include the transactions of trust and deposit funds as well as Federal funds (for definitions of funds see introductions to part I and part III, pages A3 and 1036). They also include certain transactions, as reflected in the records of the United States Treasury, of Government-sponsored enterprises, mainly the Federal home loan banks, Federal Deposit Insurance Corporation, Federal land banks, and the banks for cooperatives. Major intragovernmental and noncash transactions are excluded in the consolidation of Federal transactions.

Use and limitations.—This analysis is significant for many purposes, particularly in helping to evaluate the impact of Federal financial transactions on the economy.

It should be recognized, however, that not only cash flows, but also many other Federal financial activities have important economic effects. For example, the rapid expansion in new appropriations immediately after the attack on Korea stimulated a rise in business activity long before the authorized funds were paid to the public. Likewise, the enactment of a tax measure may affect business activity long before the cash flows involved take place between the Federal Government and the public. Federal guaranties and insurance of private loans (summarized in special analysis E) also influence the economy, even though they normally have little or no impact on Federal receipts from and payments to the public. Certain other Government contractual arrangements, such as the program for the lease-purchase of Government buildings, have economic effects which cannot be measured by the Government payments made in any one year.

Consolidated cash statement.—Data on Federal receipts from and payments to the public represent, in effect, a consolidated cash statement of Federal transactions with the public other than borrowing operations. Major intragovernmental transactions which are reported as both expenditures and receipts in other tables in the budget are eliminated in this special analysis. Noncash items which represent accrued obligations of the Government to make payments in the future are also eliminated in the year of the accrual but are added to expenditures in subsequent years as actual payments are made. Receipts of the Government from exercise of monetary authority (mostly seigniorage on silver) are also excluded, because they do not represent cash received from the public.

The amounts shown for intragovernmental transactions in the following table consist of: (1) expenditures from Federal funds which are receipts in other Federal funds, such as interest on capital investment paid by wholly

DERIVATION OF FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

[In millions]

Description	1954 actual	1955 estimate	1956 estimate
FEDERAL RECEIPTS FROM THE PUBLIC			
Budget receipts (from table 1).....	\$64,655	\$59,000	\$60,000
Trust fund receipts (from table 8).....	9,155	8,804	11,283
Less:			
Intragovernmental transactions.....	2,101	2,111	2,455
Receipts from exercise of monetary authority.....	73	45	35
Equals: Federal receipts from the public.....	71,636	66,649	68,723
FEDERAL PAYMENTS TO THE PUBLIC			
Budget expenditures (from table 1).....	67,772	63,504	62,408
Trust fund expenditures (from table 8).....	7,204	8,404	8,845
Change in clearing account for outstanding checks, etc. (from table 3).....	46	64	-67
Less:			
Intragovernmental transactions.....	2,101	2,111	2,455
Noncash debt transactions (net).....	619	740	545
Plus: Net expenditures or receipts (-) of Government-sponsored enterprises.....	-435	-96	49
Equals: Federal payments to the public.....	71,868	69,026	68,235
Excess of Federal receipts from the public.....			558
Excess of Federal payments to the public.....	232	2,377	

owned Government corporations to the Treasury; (2) expenditures from Federal funds which are receipts in trust funds, such as the interest paid on United States securities held by trust funds and the payment of the Government to the civil service retirement and disability fund; (3) expenditures from trust funds which are receipts in Federal funds, such as the payment by the old-age and survivors insurance trust fund to the Treasury for expenses incurred mainly in the collection of social security taxes; and (4) expenditures from trust funds which are receipts in other trust funds, such as the payment made by the District of Columbia to the civil service retirement and disability fund.

The noncash items which are eliminated in the above table consist of: (1) interest accrued on savings bonds which will not be paid in cash until the bonds are redeemed; and (2) United States securities issued in payment of an obligation which will be redeemed for cash at a later date. When the savings bonds are redeemed, the amount of interest actually paid to the public is then included. Likewise, when the noncash securities are redeemed (for example, Armed Forces leave bonds issued in 1947 which are still being cashed), these cash payments are then included in payments to the public.

Operating payments and receipts of Government-sponsored enterprises are included on a net basis in payments to the public. Generally, these enterprises obtain funds for their operations through direct borrowing or through cashing United States securities they hold; they apply the net income received in their regular operations to the redemption of their obligations in the market and to the purchase of United States securities.

Complete detail of all the individual adjustment items in the above table can be obtained upon request from the Bureau of the Budget.

Reconciliation with Treasury cash deposits and withdrawals.—The daily statement of the United States Treasury presents, on a daily basis, a consolidated cash statement of Treasury operating transactions. These published figures for Treasury cash deposits and withdrawals differ conceptually from Federal receipts from and payments to the public.

RECONCILIATION OF FEDERAL GOVERNMENT RECEIPTS FROM THE PUBLIC WITH TREASURY CASH DEPOSITS

[In millions]

Description	1954 actual	1955 estimate	1956 estimate
Federal receipts from the public.....	\$71,636	\$66,649	\$68,793
Plus:			
Receipts from exercise of monetary authority.....	73	45	35
Treasury receipts transferred from Government agencies' bank balances outside the Treasury.....	13	18	16
Adjustment in actual year for different reporting bases.....	+59		
Equals: Treasury cash deposits.....	71,781	66,711	68,845

As shown above, Treasury cash deposits include receipts from the exercise of monetary authority and receipts from Government agencies which are paid with funds not held by the Treasurer of the United States (for example, funds to the credit of a Government agency in a commercial bank). By definition, both of these items are not Federal Government cash receipts from the public.

For the fiscal year 1954, the daily statement carried figures on Treasury cash deposits and withdrawals within a few days after the end of the year. To accomplish this rapid reporting of the year's transactions, the Treasury Department uses a different system from that which it utilizes in reporting budget receipts and expenditures. Hence, the above table includes an adjustment for differences in reporting.

A reporting adjustment is also necessary to reconcile Federal payments to the public with cash withdrawals from the Treasury. This adjustment is of the same amount as that used in the above table. It is the same amount because the excess of cash deposits over withdrawals (or vice versa) affects the Government's cash balance and/or outstanding debt, and these two basic accounts are the same for each reporting system.

RECONCILIATION OF FEDERAL GOVERNMENT PAYMENTS TO THE PUBLIC WITH TREASURY CASH WITHDRAWALS

[In millions]

Description	1954 actual	1955 estimate	1956 estimate
Federal payments to the public.....	\$71,868	\$69,026	\$68,235
Less payments to the public not clearing through accounts of the United States Treasurer:			
From cash held outside Treasury ¹	-270	-73	-16
From proceeds of sales in the market of United States securities and agency obligations (net) ²	264		
Adjustment in actual year for different reporting bases.....	+59		
Equals: Cash withdrawals from Treasury.....	71,933	69,099	68,251

¹ Represents change in Government agencies' bank balances outside Treasury minus payments made from those balances to Treasury receipt accounts. Minus sign (-) indicates increase in cash balances.

² Includes only net sales of Government agencies and trust funds which were not made through the Treasurer of the United States.

Federal payments to the public differ from cash withdrawals from the Treasury by including payments made from Government accounts not in the name of the Treas-

urer of the United States. For example, if the Government cash balances outside the Treasury decrease, Federal payments to the public are greater than cash withdrawals from Treasury; if such balances rise, Federal payments to the public are smaller than cash withdrawals from Treasury.

Federal cash borrowing from the public.—In the long run, the amount of Federal cash borrowing (or repayment of borrowing) from the public is affected primarily by the excess of payments to the public over receipts. Funds obtained in one year through Government borrowing are sometimes not utilized until the early part of the next year, and thereby affect the annual changes in the Government's cash balances. Receipts from the exercise of monetary authority (mostly seigniorage on silver) reduce the needs for cash borrowing by a relatively small degree.

FEDERAL GOVERNMENT CASH BORROWING FROM THE PUBLIC

[In millions]

Description	1954 actual	1955 estimate	1956 estimate
Excess of Federal payments to the public, or receipts (-).....	\$232	\$2,377	-\$558
Increase in cash balances, or decrease (-).....	2,353	-1,711	
Less receipts from exercise of monetary authority.....	73	45	35
Equals: Net Federal cash borrowing from the public, or repayment of borrowing (-).....	2,512	621	-593

The figures shown in the above table for Federal cash borrowing from the public include the net borrowing of the Treasury through sales and redemptions of United States Government securities to the public. They also include the net borrowing of Government agencies and Government-sponsored enterprises through sales of their own securities in the market. Excluded, however, are changes in the public debt which do not represent direct cash borrowing from the public. Major examples of these exclusions are (1) issuance of United States Government securities to Government trust funds, such as the old-age and survivors insurance trust fund, and (2) the addition to the public debt of certain noncash transactions such as the amount of interest accruing on savings bonds which is not paid in cash until the bonds are redeemed.

RECONCILIATION OF CHANGE IN PUBLIC DEBT WITH FEDERAL GOVERNMENT CASH BORROWING FROM THE PUBLIC

[In millions]

Description	1954 actual	1955 estimate	1956 estimate
Increase in public debt (from table 3).....	\$5,189	\$3,040	\$1,700
Plus increase or decrease (-) in obligations of Government enterprises held by the public (net):			
Wholly owned enterprises.....	-14	754	827
Government-sponsored enterprises.....	11	21	175
Less:			
Investments of Government agencies, trust funds, and Government-sponsored enterprises in public debt securities.....	2,055	2,455	2,751
Net increase in public debt from non-cash transactions.....	619	740	545
Equals: Net Federal cash borrowing from the public, or repayment of borrowing (-).....	2,512	621	-593

Federal receipts from the public by major source and payments to the public by major program.—The table on the following page presents information comparable to that which has appeared in annual budget documents for the past 6 years. Supporting schedules showing the detailed derivation of the figures in this table can be obtained upon request from the Bureau of the Budget.

SPECIAL ANALYSIS A—Continued

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC—Continued

EXCLUDING MAJOR INTRAGOVERNMENTAL AND NONCASH TRANSACTIONS

[In millions]

Description	1954 actual	1955 estimate	1956 estimate
FEDERAL RECEIPTS FROM THE PUBLIC			
Individual income taxes.....	\$32,383	\$30,700	\$32,500
Corporation income and excess profits taxes.....	21,523	18,466	17,034
Excise taxes.....	10,014	9,073	9,350
Employment taxes.....	5,425	6,080	7,095
Estate and gift taxes.....	945	930	970
Customs.....	562	570	570
Deposits by States, unemployment insurance.....	1,246	1,200	1,400
Veterans life insurance premiums.....	426	414	406
Other budget and trust receipts.....	2,530	2,598	2,724
Refunds of receipts (—).....	—3,418	—3,382	—3,256
Total Federal receipts from the public.....	71,636	66,649	68,793
FEDERAL PAYMENTS TO THE PUBLIC			
Major national security.....	46,681	40,814	40,625
Veterans' services and benefits.....	4,963	5,026	5,170
International affairs and finance.....	1,583	1,201	1,207
Welfare, health, and education.....	6,452	7,706	8,269
Agriculture and agricultural resources.....	2,601	3,149	2,283
Natural resources.....	1,228	1,151	969
Commerce and manpower.....	2,727	4,110	3,709
General government.....	1,445	1,441	1,573
Interest.....	4,688	4,715	4,622
Deposit funds (net) ¹	—115	—16	51
Reserves for proposed legislation and contingencies.....		100	325
Deduction (—) from Federal employees' salaries for retirement funds.....	—430	—436	—502
Change in clearing account for outstanding checks, etc.....	46	64	—67
Total Federal payments to the public.....	71,868	69,026	68,235
Excess of Federal receipts from the public.....			558
Excess of Federal payments to the public.....	232	2,377	

¹ Excludes deposit funds of Government-sponsored enterprises.

SPECIAL ANALYSIS B

ANALYSIS OF BUDGET BY FUNCTION AND AGENCY

This special analysis supplies data on new obligational authority by function, and provides supporting detail for the expenditures included in the tables of the budget message, and in tables 1 and 7 of part I.

For each function and subfunction, data are listed by agencies. In order to find the appropriation items which make up the amounts shown for the agency, it is necessary to look in the chapter summary for that agency. Each entry in the chapter summary is coded to indicate the subfunction in which it is classified.

The functional classification used in this budget summarizes authorizations and expenditures according to the major purposes of the Government. Each function brings together programs which are related to a broad purpose, regardless of the agency responsible. Each major function is divided into several subfunctions which are groups of programs directed to a selected field within the broader category. Changes made in the classification this year are specified in a note in special analysis K.

For purposes of this classification each appropriation account and each special fund, revolving fund, and management fund is treated as a unit. Exceptions are made, and accounts are split into two or more categories, in only nine cases. This necessarily involves some close decisions

in borderline cases, and it means that programs with secondary significance for some major functions will be included in another category because another purpose predominates in the particular appropriation. Thus, to secure a comprehensive total of all Government programs related to education, for example, it would be necessary to provide a special tabulation, counting in this category some appropriations which might also be relevant to other categories.

For each major function and subfunction, expenditures are shown on a gross basis, with a deduction for receipts of public enterprise funds to arrive at net budget expenditures for the function or subfunction.

Whereas this special analysis presents both authorizations and expenditures for major functions, subfunctions and agencies over a 3-year period, special analysis K shows expenditures for the major functions and subfunctions over a 10-year period. Special analysis A shows payments to the public, classified by major function. The functional categories are also used in the analyses summarizing Federal activities in public works and other construction, Federal aid to State and local governments, and Federal research and development programs.

SPECIAL ANALYSIS B—Continued
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES
BY FUNCTION AND AGENCY

Based on existing and proposed legislation

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
MAJOR NATIONAL SECURITY						
051. Direction and coordination of defense: Department of Defense—Military Functions: Office of the Secretary of Defense.....	\$13, 250, 000	\$12, 750, 000	\$12, 750, 000	\$12, 272, 784	\$12, 450, 000	\$12, 450, 000
052. Air Force defense: Department of Defense—Military Functions: Air Force.....	11, 410, 508, 943	12, 064, 838, 600	14, 536, 000, 000	15, 668, 473, 393	15, 200, 000, 000	15, 600, 000, 000
053. Army defense: Department of Defense—Military Functions: Army.....	12, 776, 970, 750	7, 788, 311, 386	7, 303, 000, 000	12, 910, 304, 920	8, 900, 000, 000	8, 850, 000, 000
054. Naval defense: Department of Defense—Military Functions: Navy.....	9, 612, 254, 535	10, 272, 270, 489	8, 936, 960, 000	11, 293, 283, 693	9, 775, 430, 700	9, 700, 431, 500
Deduct receipts of public enterprise funds.....				479, 753	430, 700	431, 500
Total, naval defense (net).....	9, 612, 254, 535	10, 272, 270, 489	8, 936, 960, 000	11, 292, 803, 940	9, 775, 000, 000	9, 700, 000, 000
055. Other central defense activities:						
Funds appropriated to the President.....				52, 952	30, 000	20, 000
Department of Defense—Military Functions: Interservice activities.....	777, 505, 000	645, 000, 000	627, 250, 000	451, 918, 196	487, 550, 000	587, 550, 000
Total, other central defense activities.....	777, 505, 000	645, 000, 000	627, 250, 000	451, 971, 148	487, 580, 000	587, 570, 000
056. Development and control of atomic energy: Independent offices: Atomic Energy Commission.....	1, 118, 271, 373	1, 283, 822, 156	1, 291, 555, 000	1, 895, 097, 845	2, 050, 025, 966	2, 000, 000, 000
057. Strategic and critical materials: General Services Administration.....		380, 000, 000	521, 500, 000	650, 575, 670	994, 000, 000	783, 000, 000
058. Military assistance: Funds appropriated to the President.....	3, 192, 500, 000	1, 144, 300, 000	1, 400, 000, 000	3, 628, 549, 633	2, 675, 000, 000	3, 075, 000, 000
059. Direct forces support: Funds appropriated to the President.....	570, 000, 000	795, 000, 000	630, 000, 000	12, 420, 000	550, 000, 000	600, 000, 000
Major national security: Department of Defense—Military Functions.....			1, 483, 000, 000			1, 000, 000, 000
Total, major national security (gross).....	39, 471, 260, 601	34, 386, 292, 631	36, 742, 015, 000	46, 522, 859, 086	40, 644, 486, 666	42, 208, 451, 500
Deduct—						
Unallocated reduction in estimates: Department of Defense—Military Functions.....						1, 750, 000, 000
Receipts of public enterprise funds.....				479, 753	430, 700	431, 500
Total, major national security (net).....	39, 471, 260, 601	34, 386, 292, 631	36, 742, 015, 000	46, 522, 379, 333	40, 644, 055, 966	40, 458, 020, 000
Enacted or recommended in this document.....	39, 471, 260, 601	34, 386, 292, 631	33, 229, 015, 000	46, 522, 379, 333	40, 644, 055, 966	39, 068, 020, 000
Proposed for later transmission.....			3, 513, 000, 000			1, 390, 000, 000
INTERNATIONAL AFFAIRS AND FINANCE						
151. Conduct of foreign affairs:						
Independent offices:						
Commission on Foreign Economic Policy.....	300, 000			183, 227	131	
Tariff Commission.....	1, 291, 375	1, 327, 000	1, 400, 000	1, 335, 098	1, 319, 668	1, 391, 815
Department of State.....	113, 645, 046	112, 877, 122	121, 829, 797	128, 678, 355	114, 356, 700	122, 360, 200
Total, conduct of foreign affairs.....	115, 236, 421	114, 204, 122	123, 229, 797	130, 196, 680	115, 676, 499	123, 752, 015
152. Economic and technical development:						
Funds appropriated to the President.....	965, 956, 827	851, 799, 816	1, 516, 000, 000	1, 246, 402, 471	1, 090, 815, 000	1, 047, 315, 000
Independent offices:						
Displaced Persons Commission.....				109, 010	91, 954	
Export-Import Bank of Washington.....		500, 000, 000		533, 652, 913	334, 025, 973	335, 046, 141
Department of Agriculture: Commodity Credit Corporation.....			78, 950, 509	74, 351, 752	123, 933, 757	177, 044, 509
Department of Commerce.....	2, 000, 000	6, 750, 000	5, 750, 000	2, 739, 491	5, 567, 115	6, 750, 000
Department of Defense—Civil Functions: Army.....	83, 738, 209	17, 826, 970	3, 000, 000	86, 650, 693	30, 000, 000	6, 100, 000
Department of State.....			3, 000, 000	124, 231	48, 863	2, 000, 000
Treasury Department.....			35, 000, 000			35, 000, 000
Subtotal.....	1, 051, 695, 036	1, 376, 376, 786	1, 641, 700, 509	1, 944, 030, 561	1, 584, 482, 662	1, 609, 255, 650
Deduct receipts of public enterprise funds.....				445, 710, 043	379, 452, 885	508, 519, 150
Total, economic and technical development (net).....	1, 051, 695, 036	1, 376, 376, 786	1, 641, 700, 509	1, 498, 320, 518	1, 205, 029, 777	1, 100, 736, 500
153. Foreign information and exchange activities:						
Funds appropriated to the President.....		5, 000, 000			4, 382, 216	617, 784
Independent offices: United States Information Agency.....	78, 927, 462	73, 914, 000	88, 500, 000	70, 971, 677	76, 696, 742	86, 026, 913
Department of State.....	22, 369, 165	15, 396, 199	22, 396, 199	20, 480, 599	18, 409, 000	20, 868, 073
Total, foreign information and exchange activities.....	101, 296, 627	94, 310, 199	110, 896, 199	91, 452, 276	99, 487, 958	107, 512, 770
Total, international affairs and finance (gross).....	1, 268, 228, 084	1, 584, 891, 107	1, 875, 826, 505	2, 165, 679, 517	1, 799, 647, 119	1, 840, 520, 435
Deduct receipts of public enterprise funds.....				445, 710, 043	379, 452, 885	508, 519, 150
Total, international affairs and finance (net).....	1, 268, 228, 084	1, 584, 891, 107	1, 875, 826, 505	1, 719, 969, 474	1, 420, 194, 234	1, 332, 001, 285
Enacted or recommended in this document.....	1, 268, 228, 084	1, 582, 441, 107	340, 826, 505	1, 719, 969, 474	1, 418, 914, 234	995, 831, 285
Proposed for later transmission.....		2, 450, 000	1, 535, 000, 000		1, 280, 000	336, 170, 000

SPECIAL ANALYSIS B—Continued
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued
BY FUNCTION AND AGENCY—Continued

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
VETERANS' SERVICES AND BENEFITS						
101. Veterans' education and training: Independent offices:						
Veterans Administration.....	\$603,100,098	\$457,168,550	\$587,250,000	\$545,729,165	\$602,456,351	\$587,250,000
102. Other veterans' readjustment benefits:						
Independent offices: Veterans Administration.....	95,953,902	37,831,450	39,847,000	76,487,964	37,852,618	39,867,000
Department of Labor: Veterans' unemployment compensation.....	77,900,000	126,000,000	150,000,000	81,852,147	130,995,888	150,000,000
Subtotal.....	173,853,902	163,831,450	189,847,000	158,340,111	168,848,506	189,867,000
Deduct receipts of public enterprise funds.....				83,347	76,168	75,000
Total, other veterans' readjustment benefits (net).....	173,853,902	163,831,450	189,847,000	158,256,764	168,772,338	189,792,000
103. Veterans' compensation and pensions: Independent offices:						
Veterans Administration.....	2,461,291,000	2,675,000,000	2,800,000,000	2,481,513,959	2,678,744,604	2,800,000,000
104. Veterans' insurance and servicemen's indemnities: Independent offices: Veterans Administration.....	103,315,927	66,293,600	127,466,738	103,973,472	71,931,870	135,113,894
Deduct receipts of public enterprise funds.....				4,275,116	8,771,000	15,662,000
Total, veterans' insurance and servicemen's indemnities (net).....	103,315,927	66,293,600	127,466,738	99,698,356	63,160,870	119,451,894
105. Veterans' hospitals and medical care: Independent offices:						
Veterans Administration.....	720,379,600	743,544,500	736,727,000	782,435,803	735,390,252	769,964,276
106. Other veterans' services and administration:						
Independent offices:						
American Battle Monuments Commission.....	9,250,000	4,275,000	5,380,000	4,138,068	5,270,000	5,870,000
Veterans Administration.....	195,331,000	169,326,300	161,878,000	208,150,911	200,089,892	190,428,178
General Services Administration.....				790		
Department of Defense—Civil Functions: Army.....	5,107,000	5,489,200	5,580,000	4,853,290	5,001,900	5,400,000
Department of Labor.....	301,500	300,000	392,000	294,024	300,088	386,500
Subtotal.....	209,989,500	179,390,500	173,230,000	217,437,083	210,661,880	202,084,678
Deduct receipts of public enterprise funds.....				29,302,183	28,467,100	28,506,903
Total, other veterans' services and administration (net).....	209,989,500	179,390,500	173,230,000	188,134,900	182,194,780	173,577,775
Total, veterans' services and benefits (gross).....	4,271,930,027	4,285,228,600	4,614,520,738	4,289,429,593	4,468,033,463	4,684,279,848
Deduct receipts of public enterprise funds.....				33,660,646	37,314,268	44,243,903
Total, veterans' services and benefits (net).....	4,271,930,027	4,285,228,600	4,614,520,738	4,255,768,947	4,430,719,195	4,640,035,945
Enacted or recommended in this document.....	4,271,930,027	3,936,508,600	4,614,520,738	4,255,768,947	4,081,999,195	4,640,035,945
Proposed for later transmission.....		348,720,000			348,720,000	
WELFARE, HEALTH, AND EDUCATION						
SOCIAL SECURITY, WELFARE, AND HEALTH						
201. Retirement and dependents' insurance: Independent offices:						
Railroad Retirement Board.....	34,852,000			34,803,408	25,991	
202. Public assistance: Department of Health, Education, and Welfare: Social Security Administration:						
Grants to States for public assistance.....	1,398,000,000	1,438,000,000	1,420,000,000	1,437,516,484	1,444,951,109	1,420,000,000
Other.....	1,725,142	1,660,500	1,775,000	1,682,496	1,657,207	1,768,820
Total, public assistance.....	1,399,725,142	1,439,660,500	1,421,775,000	1,439,198,980	1,446,608,316	1,421,768,820
203. Aid to special groups:						
Department of Agriculture.....	83,236,197	83,236,197	68,000,000	83,516,551	83,500,000	67,950,000
Department of Health, Education, and Welfare.....	25,185,529	30,335,000	82,509,500	25,151,532	30,328,241	76,309,848
Department of the Interior.....	52,000,000	60,727,215	41,675,000	49,100,070	58,960,000	44,072,000
Total, aid to special groups.....	160,421,726	174,298,412	192,184,500	157,768,153	172,788,241	188,331,848
205. Accident compensation: Department of Labor.....	43,554,457	45,630,000	46,957,000	43,545,177	45,626,356	46,948,000

SPECIAL ANALYSIS B—Continued
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued
BY FUNCTION AND AGENCY—Continued

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
WELFARE, HEALTH, AND EDUCATION—Continued						
SOCIAL SECURITY, WELFARE, AND HEALTH—continued						
206. Promotion of public health:						
Independent offices: Commission on the Potomac River Basin.....	\$5,000	\$5,000	\$10,000	\$5,000	\$5,000	\$10,000
General Services Administration.....			1,610,000	1,657,630	7,850,000	12,300,000
Department of Health, Education, and Welfare:						
Public Health Service.....	210,589,787	251,310,000	290,486,000	242,207,717	238,825,638	265,811,943
Other.....	42,437,019	42,405,000	94,693,000	44,526,238	45,085,316	59,920,004
Subtotal.....	253,031,806	293,720,000	386,799,000	288,396,585	291,765,954	338,041,947
Deduct receipts of public enterprise funds.....				194,452	195,200	195,200
Total, promotion of public health (net).....	253,031,806	293,720,000	386,799,000	288,202,133	291,570,754	337,846,747
207. Prisons and probation:						
The Judiciary.....				67,320		
Department of Justice.....	28,923,436	30,804,845	34,000,000	26,232,009	29,517,154	31,666,300
Total, prisons and probation.....	28,923,436	30,804,845	34,000,000	26,299,329	29,517,154	31,666,300
Total, social security, welfare, and health (gross).....	1,920,508,567	1,984,113,757	2,081,715,500	1,990,011,632	1,986,332,012	2,026,756,915
Deduct receipts of public enterprise funds.....				194,452	195,200	195,200
Total, social security, welfare, and health (net).....	1,920,508,567	1,984,113,757	2,081,715,500	1,989,817,180	1,986,136,812	2,026,561,715
Enacted or recommended in this document.....	1,920,508,567	1,744,925,757	2,009,965,500	1,989,817,180	1,747,116,812	1,989,718,715
Proposed for later transmission.....		239,188,000	71,750,000		239,020,000	36,843,000
EDUCATION AND GENERAL RESEARCH						
301. Promotion of education: Department of Health, Education, and Welfare.....	230,888,310	253,888,092	128,383,092	217,205,039	263,676,192	212,095,592
302. Educational aid to special groups:						
Legislative branch.....	1,000,000	1,000,000	1,000,000	1,001,104	1,116,140	993,625
Department of Health, Education, and Welfare.....	3,602,200	8,402,000	7,298,325	4,859,801	8,229,480	11,331,959
Total, educational aid to special groups.....	4,602,200	9,402,000	8,298,325	5,860,905	9,345,620	12,325,584
303. Library and museum services:						
Legislative branch.....	7,156,072	7,072,736	7,616,636	7,297,428	7,088,870	7,520,410
Independent offices: Smithsonian Institution.....	4,275,000	4,300,000	5,355,000	4,132,768	4,439,133	5,208,776
Total, library and museum services.....	11,431,072	11,372,736	12,971,636	11,430,196	11,528,003	12,729,186
304. General-purpose research:						
Independent offices: National Science Foundation.....	8,000,000	14,250,000	31,000,000	6,459,182	10,100,402	21,036,000
General Services Administration.....				1,546		
Department of Commerce.....	14,810,000	36,849,218	26,555,000	17,066,087	35,218,300	27,042,733
Total, general-purpose research.....	22,810,000	51,099,218	57,555,000	23,526,815	45,318,702	48,078,733
Total, education and general research.....	269,731,582	325,762,046	207,208,053	258,022,955	329,868,517	285,229,095
Enacted or recommended in this document.....	269,731,582	236,562,046	207,208,053	258,022,955	309,868,517	227,029,095
Proposed for later transmission.....		89,200,000			20,000,000	58,200,000
Total, welfare, health, and education (gross).....	2,190,240,149	2,309,875,803	2,288,923,553	2,248,034,587	2,316,200,529	2,311,986,010
Deduct receipts of public enterprise funds.....				194,452	195,200	195,200
Total, welfare, health, and education (net).....	2,190,240,149	2,309,875,803	2,288,923,553	2,247,840,135	2,316,005,329	2,311,790,810
Enacted or recommended in this document.....	2,190,240,149	1,981,487,803	2,217,173,553	2,247,840,135	2,056,985,329	2,216,747,810
Proposed for later transmission.....		328,388,000	71,750,000		259,020,000	95,043,000

SPECIAL ANALYSIS B—Continued
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued
BY FUNCTION AND AGENCY—Continued

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
AGRICULTURE AND AGRICULTURAL RESOURCES						
351. Stabilization of farm prices and farm income: Department of Agriculture:						
Commodity Credit Corporation:						
Agriculture price support.....	\$2,396,357,009	\$1,500,000,000	\$1,634,659	\$4,219,572,600	\$5,304,719,896	\$3,972,652,520
Other.....	301,294,190			58,974,972	506,370,153	287,749,035
Agricultural Marketing Service: Removal of surplus agricultural commodities.....	170,763,486	175,884,126	165,000,000	177,575,446	113,000,000	180,000,000
Other.....	110,723,803	106,850,000	164,178,551	146,535,450	137,996,100	191,311,551
Subtotal.....	2,979,138,488	1,782,734,126	330,813,210	4,602,658,468	6,062,086,149	4,631,713,106
Deduct receipts of public enterprise funds.....				2,913,539,867	3,795,268,287	3,295,752,653
Total, stabilization of farm prices and farm income (net).....	2,979,138,488	1,782,734,126	330,813,210	1,689,118,601	2,266,817,862	1,335,960,453
352. Financing farm ownership and operation:						
Independent offices: Farm Credit Administration.....	2,255,500	19,802,000	28,432,000	1,817,305,245	1,884,678,900	1,987,541,800
Department of Agriculture:						
Commodity Credit Corporation.....				112,246,208	1,483,341	
Other.....	322,787,000	176,550,000	213,600,000	333,796,760	277,632,704	260,032,450
Subtotal.....	325,042,500	196,352,000	242,032,000	2,263,348,213	2,163,794,945	2,247,574,250
Deduct receipts of public enterprise funds.....				2,007,562,289	1,948,331,799	2,077,132,570
Total, financing farm ownership and operation (net).....	325,042,500	196,352,000	242,032,000	255,785,924	215,463,146	170,441,680
353. Financing rural electrification and rural telephones: Department of Agriculture.....	248,065,000	217,285,000	237,680,000	217,316,905	217,360,000	232,577,000
354. Conservation and development of agricultural land and water resources:						
Department of Agriculture:						
Agricultural conservation program.....	226,982,000	191,700,000	216,000,000	171,335,251	190,000,000	212,000,000
Commodity Credit Corporation.....				30,143,881	43,450,000	43,450,000
Other.....	75,863,431	74,632,671	75,771,200	61,389,776	76,659,015	74,265,000
Subtotal.....	302,845,431	266,332,671	291,771,200	262,868,908	310,109,015	329,715,000
Deduct receipts of public enterprise funds.....				18,410,222	60,143,881	9,450,000
Total, conservation and development of agricultural land and water resources (net).....	302,845,431	266,332,671	291,771,200	244,458,686	249,965,134	320,265,000
355. Research and other agricultural services:						
Department of Agriculture:						
Commodity Credit Corporation.....	9,121,635			5,773,291	11,915,568	15,193,000
Other.....	145,472,543	166,846,644	185,834,655	144,542,833	168,463,086	190,698,053
Total, research and other agricultural services.....	154,594,178	166,846,644	185,834,655	150,316,124	180,378,654	205,891,053
Deduct receipts of public enterprise funds.....						5,788,897
Total, research and other agricultural services (net).....	154,594,178	166,846,644	185,834,655	150,316,124	180,378,654	200,102,156
Total, agriculture and agricultural resources (gross).....	4,009,685,597	2,629,550,441	1,288,131,065	7,496,508,618	8,933,728,763	7,647,470,409
Deduct receipts of public enterprise funds.....				4,939,512,378	5,803,743,967	5,388,124,120
Total, agriculture and agricultural resources (net, enacted or recommended in this document).....	4,009,685,597	2,629,550,441	1,288,131,065	2,556,996,240	3,129,984,796	2,259,346,289
NATURAL RESOURCES						
401. Conservation and development of land and water resources:						
Independent offices:						
Federal Power Commission.....	4,332,927	4,285,137	4,685,658	4,285,858	4,271,938	4,655,137
Tennessee Valley Authority.....	188,546,000	120,000,000	27,550,000	408,531,647	431,310,679	250,255,000
Department of Defense—Civil Functions: Army.....	335,077,629	340,046,500	382,217,000	415,662,745	366,219,403	373,643,820
Department of the Interior:						
Bureau of Reclamation.....	147,717,361	166,485,630	197,129,500	198,986,262	168,427,288	192,049,291
Other.....	125,830,373	71,022,408	66,895,179	100,601,921	101,976,951	100,224,900
Department of State.....	8,000,000	1,750,000	1,944,900	7,176,804	4,734,296	4,210,000
Subtotal.....	809,504,290	703,589,675	680,422,237	1,135,245,237	1,076,940,555	925,038,148
Deduct receipts of public enterprise funds.....				174,778,581	220,855,263	252,323,841
Total, conservation and development of land and water resources (net).....	809,504,290	703,589,675	680,422,237	960,466,656	856,085,292	672,714,307

SPECIAL ANALYSIS B—Continued
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued
BY FUNCTION AND AGENCY—Continued

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
NATURAL RESOURCES—Continued						
402. Conservation and development of forest resources:						
Department of Agriculture.....	\$176,550,799	\$108,590,760	\$108,930,300	\$110,398,441	\$108,203,164	\$107,749,963
Department of the Interior.....	6,423,931	12,642,776	7,519,500	6,424,379	12,642,776	7,519,500
Total, conservation and development of forest resources.....	182,974,730	121,233,536	116,449,800	116,822,820	120,845,940	115,269,463
403. Conservation and development of mineral resources:						
Department of Defense—Civil Functions: Army.....				35,217	67,350	10,437
Department of the Interior.....	36,548,582	52,946,035	40,327,500	40,543,930	48,902,998	49,479,398
Subtotal.....	36,548,582	52,946,035	40,327,500	40,579,147	48,970,348	49,489,835
Deduct receipts of public enterprise funds.....				3,339,991	3,891,237	4,563,800
Total, conservation and development of mineral resources (net).....	36,548,582	52,946,035	40,327,500	37,239,156	45,079,111	44,926,035
404. Conservation and development of fish and wildlife:						
Independent offices: National Industrial Recovery.....				851		
Department of Defense—Civil Functions: Air Force.....	12,536	12,500	13,000	13,037	17,500	18,900
Department of the Interior.....	38,657,547	39,665,376	40,224,600	37,884,069	45,674,025	42,995,000
Department of State.....		310,000	425,000	5,837	368,470	420,000
Total conservation and development of fish and wildlife.....	38,670,083	39,987,876	40,662,600	37,903,794	46,059,995	43,433,900
405. Recreational use of natural resources: Department of the Interior.....	99,763,326	23,485,080	24,871,516	33,359,226	39,304,092	50,234,708
407. Defense production activities: Department of the Interior.....	558,000			657,128	42,104	
409. General resource surveys: Department of the Interior.....	27,750,000	25,793,190	26,285,000	26,709,779	25,900,000	26,000,000
Total, natural resources (gross).....	1,195,769,011	967,035,392	929,018,653	1,391,277,131	1,358,063,034	1,209,466,054
Deduct receipts of public enterprise funds.....				178,118,572	224,746,500	256,887,641
Total, natural resources (net).....	1,195,769,011	967,035,392	929,018,653	1,213,158,559	1,133,316,534	952,578,413
Enacted or recommended in this document.....	1,195,769,011	957,460,392	901,018,653	1,213,158,559	1,130,916,534	923,303,413
Proposed for later transmission.....		9,575,000	28,000,000		2,400,000	29,275,000
COMMERCE AND MANPOWER						
TRANSPORTATION AND COMMUNICATION						
451. Promotion of the merchant marine: Department of Commerce.....	104,370,000	251,860,000	234,985,000	236,298,211	228,284,541	198,340,714
Deduct receipts of public enterprise funds.....				83,578,711	19,069,143	6,566,603
Total, promotion of the merchant marine (net).....	104,370,000	251,860,000	234,985,000	152,719,500	209,215,398	191,774,111
452. Provision of navigation aids and facilities:						
Independent offices: Saint Lawrence Seaway Development Corporation.....	105,000,000				6,596,000	23,542,000
Department of Defense—Civil Functions: Army.....	91,500,659	103,617,600	144,938,000	180,704,641	197,510,228	224,480,700
Treasury Department.....	219,970,500	185,164,300	185,475,000	222,492,604	205,286,390	193,101,000
Subtotal.....	416,471,159	288,781,900	330,413,000	403,197,245	409,392,618	441,123,700
Deduct receipts of public enterprise funds.....				90,336,299	83,916,600	87,912,700
Total, provision of navigation aids and facilities (net).....	416,471,159	288,781,900	330,413,000	312,860,946	325,476,018	353,211,000
453. Provision of highways:						
Department of Agriculture.....				16,354	301	
Department of Commerce:						
Federal aid highway grants.....	585,000,000	885,000,000	885,000,000	530,992,308	600,398,210	680,000,000
Other.....	42,491,000	22,790,000	22,500,000	39,730,723	42,121,295	31,700,000
Department of the Interior.....	17,600,000	11,500,000	11,300,000	15,578,520	16,500,000	13,300,000
Total, provision of highways.....	645,091,000	919,290,000	918,800,000	586,317,905	659,019,806	725,000,000
454. Promotion of aviation:						
Independent offices: National Advisory Committee for Aeronautics.....	58,239,000	56,920,000	76,500,000	89,515,996	72,000,000	76,000,000
Department of Commerce.....	176,391,343	188,405,746	207,840,000	185,929,204	201,552,951	207,305,000
Subtotal.....	234,630,343	245,325,746	284,340,000	275,445,200	273,552,951	283,305,000
Deduct receipts of public enterprise funds.....						11,000
Total, promotion of aviation (net).....	234,630,343	245,325,746	284,340,000	275,445,200	273,552,951	283,294,000

SPECIAL ANALYSIS B—Continued
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued
BY FUNCTION AND AGENCY—Continued

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
COMMERCE AND MANPOWER—Continued						
TRANSPORTATION AND COMMUNICATION—continued						
455. Regulation of transportation:						
Independent offices:						
Defense transport activities.....	\$425,000			\$439,614	\$14,054	
Interstate Commerce Commission.....	11,284,000	\$11,670,000	\$11,975,000	11,186,994	11,645,200	\$11,958,331
Department of Commerce.....	3,777,000	3,777,000	4,125,000	3,713,699	3,763,000	4,098,000
Total, regulation of transportation.....	15,486,000	15,447,000	16,100,000	15,340,307	15,422,254	16,056,331
456. Other services to transportation:						
Independent offices: Reconstruction Finance Corporation.....				717,000		
Department of Commerce.....	12,750,000	10,200,000	10,400,000	12,368,947	10,881,866	10,597,252
Department of the Interior.....	8,809,000	2,900,000	4,100,000	26,452,549	24,914,913	26,903,502
Treasury Department.....				8,238	4,978	4,987
Subtotal.....	21,559,000	13,100,000	14,500,000	39,546,734	35,801,757	37,505,741
Deduct receipts of public enterprise funds.....				89,507,981	21,516,331	18,287,502
Total, other services to transportation (net).....	21,559,000	13,100,000	14,500,000	• 49,961,247	14,285,426	19,218,239
457. Postal service: Post Office Department.....	420,000,000	312,052,971	25,000,000	2,686,297,013	2,740,605,808	2,541,278,545
Deduct receipts of public enterprise funds.....				2,374,591,710	2,472,951,701	2,516,983,545
Postal service (net, general fund).....	420,000,000	312,052,971	25,000,000	311,705,303	267,654,107	24,295,000
458. Regulation of communication: Independent offices: Federal Communications Commission.....	7,400,000	6,694,400	6,700,000	6,821,875	6,840,000	6,531,101
Total, transportation and communication (gross).....	1,865,007,502	2,052,552,017	1,830,838,000	4,249,264,490	4,368,919,735	4,249,141,132
Deduct receipts of public enterprise funds.....				2,638,014,701	2,597,453,775	2,629,761,350
Total, transportation and communication (net).....	1,865,007,502	2,052,552,017	1,830,838,000	1,611,249,789	1,771,465,960	1,619,379,782
Enacted or recommended in this document.....	1,865,007,502	1,972,652,017	2,094,838,000	1,611,249,789	1,586,715,960	1,886,229,782
Proposed for later transmission:						
Proposed postal rate increase.....			^d 400,000,000			^d 400,000,000
Other.....		79,900,000	136,000,000		184,750,000	133,150,000
HOUSING AND COMMUNITY DEVELOPMENT						
251. Public housing programs:						39,350
Funds appropriated to the President.....				57		
Independent offices: National Capital Housing Authority.....	43,000	43,000	37,000	32,050	40,603	
Housing and Home Finance Agency.....	50,250,000	76,300,000	95,800,000	657,511,871	570,243,999	604,102,319
Subtotal.....	50,293,000	76,343,000	95,837,000	657,543,978	570,284,602	604,141,669
Deduct receipts of public enterprise funds.....				1,058,768,070	655,696,652	569,853,509
Total, public housing programs (net).....	50,293,000	76,343,000	95,837,000	• 401,224,092	• 85,412,050	34,288,163
252. Aids to private housing:						
Independent offices: Veterans Administration.....	96,651,249	133,961,603	100,000,000	117,700,583	170,041,623	182,185,000
Housing and Home Finance Agency:						
Federal National Mortgage Association.....		500,000,000		562,547,287	812,988,469	338,404,500
Other.....	29,533,700	5,001,141		139,468,269	148,347,735	134,716,029
Department of Agriculture.....	15,950,000			16,000,000	61,000	
Subtotal.....	142,134,949	638,962,744	100,000,000	835,716,139	1,131,438,827	655,305,529
Deduct receipts of public enterprise funds.....				1,015,751,978	841,748,424	814,430,477
Total, aids to private housing (net).....	142,134,949	638,962,744	100,000,000	• 180,035,839	289,690,403	• 150,124,948
253. Research and other general housing aids: Housing and Home Finance Agency.....	3,321,550	3,968,500	5,700,000	39,455,992	47,120,256	37,600,748
Deduct receipts of public enterprise funds.....				1,237,857	2,659,700	4,207,000
Total, research and other general housing aids (net).....	3,321,550	3,968,500	5,700,000	38,218,135	44,460,556	33,393,748

• Deduct, excess of repayments and collections over expenditures.

^d Deduct, proposed postal rate increase of \$400,000,000.

SPECIAL ANALYSIS B—Continued
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued
 BY FUNCTION AND AGENCY—Continued

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
COMMERCE AND MANPOWER—Continued						
HOUSING AND COMMUNITY DEVELOPMENT—continued						
254. Provision of community facilities:						
Independent Offices: Reconstruction Finance Corporation.....				\$35,871,600		
General Services Administration.....				3,350	\$5,000	\$5,000
Housing and Home Finance Agency.....		\$3,500,000	\$8,500,000	4,354,038	1,722,220	4,265,375
Department of Health, Education, and Welfare.....				4,143,474	2,719,563	
Department of the Interior.....	\$13,100,000	9,451,030	5,000,000	8,900,716	22,500,000	10,268,556
Treasury Department.....					8,607,400	
Subtotal.....	13,100,000	12,951,030	13,500,000	53,273,178	35,554,183	14,538,961
Deduct receipts of public enterprise funds.....				38,090,013	26,481,891	4,096,075
Total, provision of community facilities (net).....	13,100,000	12,951,030	13,500,000	15,183,165	9,072,292	10,442,886
255. Urban development and redevelopment: Housing and Home Finance Agency.....	350,000,000	101,000,000	204,000,000	36,841,174	85,894,532	145,132,000
Deduct receipts of public enterprise funds.....				15,020,998	29,612,264	51,624,000
Total, urban development and redevelopment (net).....	350,000,000	101,000,000	204,000,000	21,820,176	56,282,268	93,508,000
256. Civil defense:						
Independent offices: Federal Civil Defense Administration.....	46,525,000	49,325,000	59,300,000	96,920,802	61,158,638	56,080,000
Housing and Home Finance Agency.....			100,000			90,000
Department of Health, Education, and Welfare.....		1,000,000	1,600,000		919,190	1,530,000
Treasury Department.....				1,161,016	3,445,829	1,165,000
Subtotal.....	46,525,000	50,325,000	61,000,000	98,081,818	65,523,657	58,865,000
Deduct receipts of public enterprise funds.....				38,140,112	4,012,054	2,108,000
Total, civil defense (net).....	46,525,000	50,325,000	61,000,000	59,941,706	61,511,603	56,757,000
258. Disaster loans and relief:						
Funds appropriated to the President.....			10,000,000	2,528,362	10,000,000	17,000,000
Independent offices:						
Small Business Administration.....	5,000,000			306,471	4,297,976	195,425
Reconstruction Finance Corporation.....				1,790,935		
Subtotal.....	5,000,000		10,000,000	4,625,768	14,297,976	17,195,425
Deduct receipts of public enterprise funds.....				3,333,048	3,675,763	3,834,807
Total, disaster loans and relief (net).....	5,000,000		10,000,000	1,292,720	10,622,213	13,360,618
Total, housing and community development (gross).....	610,374,499	883,550,274	490,037,000	1,725,538,047	1,950,114,033	1,532,779,332
Deduct receipts of public enterprise funds.....				2,170,342,076	1,563,886,748	1,450,153,865
Total, housing and community development (net).....	610,374,499	883,550,274	490,037,000	* 444,804,029	386,227,285	82,625,467
Enacted or recommended in this document.....	610,374,499	778,550,274	190,037,000	* 444,804,029	381,227,285	* 7,374,533
Proposed for later transmission.....		105,000,000	300,000,000		5,000,000	90,000,000
FINANCE, COMMERCE, AND INDUSTRY						
501. Promotion or regulation of financial institutions:						
Independent offices: Securities and Exchange Commission.....	5,000,000	4,750,000	4,997,000	4,964,398	4,740,123	4,987,000
Department of Health, Education, and Welfare.....	250,000			1,289,004	1,487,262	1,665,213
Subtotal.....	5,250,000	4,750,000	4,997,000	6,253,402	6,227,385	6,652,213
Deduct receipts of public enterprise funds.....				15,951,989	16,161,113	1,751,802
Total, promotion or regulation of financial institutions (net).....	5,250,000	4,750,000	4,997,000	* 9,698,587	* 9,933,728	4,900,411
503. Promotion or regulation of trade and industry:						
Legislative branch.....	1,100,000	1,100,000	1,100,000	1,126,805	1,120,372	1,092,080
Independent offices:						
Federal Trade Commission.....	4,053,800	4,045,000	4,300,000	4,195,028	4,051,121	4,275,000
Small Business Administration.....	2,500,000	2,325,000		2,401,459	2,303,214	192,501
Department of Commerce.....	16,565,000	20,770,000	22,250,000	16,355,928	20,442,135	22,096,744
Department of Justice.....	3,190,000	3,100,000	3,100,000	3,073,355	3,090,415	3,099,205
Total, promotion or regulation of trade and industry.....	27,408,800	31,340,000	30,750,000	27,152,575	31,007,257	30,755,530

* Deduct, excess of repayments and collections over expenditures.

SPECIAL ANALYSIS B—Continued
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued
 BY FUNCTION AND AGENCY—Continued

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
COMMERCE AND MANPOWER—Continued						
FINANCE, COMMERCE, AND INDUSTRY—continued						
504. Business loans and guaranties:						
Independent offices:						
Small Business Administration.....	\$50,000,000	\$40,000,000	\$67,000,000	\$7,223,993	\$43,122,479	\$35,402,603
Reconstruction Finance Corporation.....				124,130,061		
Treasury Department: Reconstruction Finance Corporation.....					6,555,480	3,569,913
Subtotal.....	50,000,000	40,000,000	67,000,000	131,354,054	49,677,959	38,972,516
Deduct receipts of public enterprise funds.....				230,904,422	87,250,902	117,099,563
Total, business loans and guaranties (net).....	50,000,000	40,000,000	67,000,000	* 99,550,368	* 37,572,943	* 78,127,047
506. Promotion of defense production and economic stabilization:						
Funds appropriated to the President.....				586,966,685	738,998,242	614,161,999
Independent offices:						
Atomic Energy Commission.....				1,631	4,000	5,000
Economic Stabilization Agency.....	1,057,930			1,527,746		
Reconstruction Finance Corporation.....				333,088,399		
General Services Administration.....			3,500,000	13,271	7,380,000	6,810,300
Department of Commerce.....	8,619,200	3,550,000	3,000,000	9,237,178	3,872,089	3,103,794
Department of Defense—Civil Functions:						
Army.....				3,514,623	3,198,680	1,350,000
Navy.....				1,894,917	4,725,401	3,850,000
Air Force.....				158,043	175,000	150,000
Department of Health, Education, and Welfare.....				9,200	201	
Department of Justice.....				68		
Treasury Department.....	21,854			41,891	302,293,667	8,618,000
Subtotal.....	9,698,984	3,550,000	6,500,000	936,453,652	1,060,647,280	638,049,093
Deduct receipts of public enterprise funds.....				720,050,512	984,594,272	522,285,317
Total, promotion of defense production and economic stabilization (net).....	9,698,984	3,550,000	6,500,000	216,403,140	76,053,008	115,763,776
Total, finance, commerce, and industry (gross).....	92,357,784	79,640,000	109,247,000	1,101,213,683	1,147,559,881	714,429,352
Deduct receipts of public enterprise funds.....				966,906,923	1,088,006,287	641,136,682
Total, finance, commerce, and industry (net).....	92,357,784	79,640,000	109,247,000	134,306,760	59,553,594	73,292,670
Enacted or recommended in this document.....	92,357,784	64,640,000	42,247,000	134,306,760	57,553,594	29,792,670
Proposed for later transmission.....		15,000,000	67,000,000		2,000,000	43,500,000
LABOR AND MANPOWER						
551. Mediation and regulation of labor relations: Independent offices:						
Federal Mediation and Conciliation Service.....	3,210,000	3,134,000	3,220,000	3,108,488	3,108,961	3,215,860
National Labor Relations Board.....	9,125,000	8,400,000	8,150,000	8,859,633	8,663,000	7,908,000
National Mediation Board.....	1,189,000	1,220,500	1,187,000	1,080,592	1,215,734	1,190,000
Total, mediation and regulation of labor relations.....	13,524,000	12,754,500	12,557,000	13,048,713	12,987,695	12,313,860
552. Unemployment compensation and placement activities:						
Department of Labor:						
Grants to States for unemployment compensation and employment service administration.....	204,305,000	229,500,000	250,280,000	202,836,797	195,000,000	245,420,000
Other.....	6,860,000	6,548,500	6,922,000	8,603,641	8,837,803	8,596,608
Treasury Department: Payment to unemployment trust fund.....		64,287,508	87,095,000		64,287,508	87,095,000
Subtotal.....	211,165,000	300,336,008	344,297,000	211,440,438	268,125,311	341,111,608
Deduct receipts of public enterprise funds.....				2,013,244	1,098,000	783,550
Total, unemployment compensation and placement activities (net).....	211,165,000	300,336,008	344,297,000	209,427,094	267,027,311	340,328,058

* Deduct, excess of repayments and collections over expenditures.

SPECIAL ANALYSIS B—Continued
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued
BY FUNCTION AND AGENCY—Continued

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
COMMERCE AND MANPOWER—Continued						
LABOR AND MANPOWER—continued						
553. Labor standards and training:						
Independent offices: Federal Coal Mine Safety Board of						
Review.....	\$80,000	\$75,000	\$70,000	\$51,900	\$70,000	\$70,000
Department of the Interior.....	5,060,000	4,988,200	5,000,000	4,626,699	4,942,000	4,992,000
Department of Labor.....	11,982,900	11,749,500	16,070,000	12,023,637	11,679,442	15,200,420
Total, labor standards and training.....	17,122,900	16,812,700	21,140,000	16,702,236	16,691,442	20,262,420
554. Labor information, statistics, and general administration:						
Department of Labor.....	6,858,600	6,677,000	8,845,000	7,267,715	6,825,526	8,835,800
555. Defense production activities: Department of Labor.....				104,484		
556. Military manpower selection: Independent offices:						
National Security Training Commission.....	55,000	55,000	55,000	42,981	54,580	55,000
Selective Service System.....	29,882,400	29,003,063	28,700,000	30,107,964	28,719,914	28,600,000
Total, military manpower selection.....	29,937,400	29,058,063	28,755,000	30,150,945	28,774,494	28,655,000
Total, labor and manpower (gross).....	278,607,900	365,638,271	415,594,000	278,714,531	333,404,468	411,178,688
Deduct receipts of public enterprise funds.....				2,013,344	1,098,000	783,550
Total, labor and manpower (net).....	278,607,900	365,638,271	415,594,000	276,701,187	332,306,468	410,395,138
Enacted or recommended in this document.....	278,607,900	365,638,271	410,944,000	276,701,187	332,306,468	406,645,138
Proposed for later transmission.....			4,650,000			3,750,000
Total, commerce and manpower (gross).....	2,846,347,685	3,381,380,562	2,845,716,000	7,354,730,751	7,799,998,117	6,907,528,504
Deduct receipts of public enterprise funds.....				5,777,277,044	5,250,444,810	4,721,835,447
Total, commerce and manpower (net).....	2,846,347,685	3,381,380,562	2,845,716,000	1,577,453,707	2,549,553,307	2,185,693,057
Enacted or recommended in this document.....	2,846,347,685	3,181,480,562	2,738,066,000	1,577,453,707	2,357,803,307	2,315,293,057
Proposed for later transmission.....		199,900,000	107,650,000		191,750,000	4 129,600,000
GENERAL GOVERNMENT						
601. Legislative functions: Legislative branch.....	46,742,514	48,882,813	50,463,843	44,940,416	51,481,258	63,111,334
602. Judicial functions:						
Legislative branch.....	22,500	25,000	25,000	20,624	26,512	24,750
The Judiciary.....	28,924,020	30,607,431	33,181,615	28,289,006	30,538,743	33,044,315
Independent offices: Indian Claims Commission.....	117,020	117,000	119,500	108,769	116,706	119,110
General Services Administration.....		2,970,600		191,129	2,040,700	970,600
Total, judicial functions.....	29,063,540	33,720,031	33,326,115	28,609,528	32,722,661	34,158,775
603. Executive direction and management:						
Executive Office of the President.....	9,395,386	8,512,263	8,652,700	9,492,742	8,781,649	8,668,450
Funds appropriated to the President.....	1,238,540	1,050,000	1,000,000	202,299	954,402	1,552,500
Independent offices:						
Advisory Committee on Weather Control.....		120,000	295,000		114,000	286,000
Commission on Intergovernmental Relations.....	500,000	414,000		263,682	650,318	
Commission on Organization of the Executive Branch of the Government.....	1,931,909	653,150		539,862	1,995,197	50,000
General Services Administration.....				58,880	7,860	
Treasury Department.....	854,159	912,000	938,000	841,685	908,752	934,000
Total, executive direction and management.....	13,919,994	11,661,413	10,885,700	11,399,150	13,412,178	11,490,950
604. Federal financial management:						
Independent offices:						
General Accounting Office.....	32,281,000	31,981,000	32,100,000	31,137,534	31,820,000	32,000,000
Renegotiation Board.....	5,192,800	4,500,000	4,250,000	5,370,130	4,555,621	4,285,000
Tax Court of the United States.....	995,000	1,000,000	1,035,000	964,746	1,020,554	1,034,302
Treasury Department.....	402,986,628	399,620,300	412,985,000	411,285,238	399,577,541	412,591,188
Subtotal.....	441,455,428	437,101,300	450,370,000	448,757,648	436,973,716	449,910,490
Deduct receipts of public enterprise funds.....				158,699	167,500	165,000
Total, Federal financial management (net).....	441,455,428	437,101,300	450,370,000	448,598,949	436,806,216	449,745,490

4 Deduct, includes proposed postal rate increase of \$400,000,000.

SPECIAL ANALYSIS B—Continued
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued
BY FUNCTION AND AGENCY—Continued

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
GENERAL GOVERNMENT—Continued						
605. Other central services:						
Legislative branch.....	\$28,033,254	\$11,325,000	\$12,090,400	\$4,532,235	\$10,476,731	\$9,981,162
Independent offices: Civil Service Commission.....	17,000,000	15,575,600	16,825,000	15,683,773	15,234,682	16,614,017
General Services Administration.....	162,390,820	151,553,300	164,020,000	151,747,478	156,493,175	161,783,321
Department of Health, Education, and Welfare.....	257,000	400,000	400,000	253,093	372,168	399,800
Department of the Interior.....	21,200	21,200	21,200	24,297	21,000	21,000
Department of Justice.....	11,092,750	10,592,550	11,100,000	10,734,303	10,599,763	11,045,165
Subtotal.....	218,795,024	189,467,650	204,456,600	182,975,179	193,197,519	199,844,465
Deduct receipts of public enterprise funds.....				574,027	544,106	443,000
Total, other central services (net).....	218,795,024	189,467,650	204,456,600	182,401,152	192,653,413	199,401,465
606. Retirement for Federal civilian employees:						
Independent offices:						
Civil Service Commission.....	33,897,000	31,977,000	218,170,000	33,822,839	32,026,301	218,185,334
607. Unemployment compensation for Federal civilian employees:						
Department of Labor.....		30,000,000	40,000,000		33,300,000	40,000,000
608. Protective services and alien control:						
Independent offices:						
Civil Service Commission.....	1,200,000	892,347	500,000	501,929	684,390	530,000
Subversive Activities Control Board.....	350,000	282,000	300,000	236,675	277,865	300,000
Housing and Home Finance Agency.....		500,000			500,000	
Department of Justice.....	134,559,550	139,339,450	150,670,000	139,903,373	139,687,448	153,415,809
Treasury Department.....	5,442,500	5,208,000	5,950,000	5,456,942	5,428,609	5,919,000
Total, protective services and alien control.....	141,552,050	146,221,797	157,420,000	146,098,919	146,578,312	160,164,809
609. Territories and possessions, and the District of Columbia:						
Independent offices:						
National Capital Planning Commission.....	225,000	688,000	1,100,000	285,891	1,147,833	1,122,783
National Capital Sesquicentennial Commission.....				71,162	10,466	
Department of Defense—Civil Functions: Army.....	13,300,000	15,503,000	16,898,000	14,262,215	17,175,000	16,751,000
Department of the Interior.....	10,429,300	12,857,502	12,014,000	13,364,758	15,838,609	14,972,874
Treasury Department.....	15,076,560	15,080,000	15,075,000	15,036,523	15,161,457	15,075,000
District of Columbia:						
Federal contribution.....	12,000,000	21,850,000	21,892,700	12,000,000	21,890,000	21,892,700
Other.....	4,000,000	7,957,000	9,700,000	1,150,000	3,340,000	11,637,000
Subtotal.....	55,030,860	73,975,502	76,679,700	56,170,549	74,563,365	81,451,357
Deduct receipts of public enterprise funds.....				2,835,424	2,318,561	2,551,850
Total, territories and possessions, and the District of Columbia (net).....	55,030,860	73,975,502	76,679,700	53,335,125	72,244,804	78,899,507
610. Other general government:						
Funds appropriated to the President.....				281		
Independent offices:						
Alexander Hamilton Bicentennial Commission.....		10,000			10,000	
Foreign Claims Settlement Commission.....		230,000	12,700,000		285,622	10,460,000
Jamestown-Williamsburg-Yorktown Celebration Commission.....		100,000	100,000		85,000	100,000
Woodrow Wilson Centennial Celebration Commission.....			10,000			10,000
General Services Administration.....	576,200		1,200,000	3,979,236	5,724,910	3,919,643
Department of Commerce.....	29,197,800	27,060,782	35,150,000	29,035,520	27,475,726	31,694,015
Department of Defense—Civil Functions: Army.....				59,869	2,433	
Department of Health, Education, and Welfare.....	3,349,772	3,312,500	3,972,000	3,674,781	3,845,059	4,233,187
Department of the Interior.....	5,491,446	7,290,083	7,356,500	7,337,285	7,948,611	7,520,800
Department of Justice.....	2,674,264	2,465,655	2,615,000	2,699,983	2,484,515	2,601,690
Treasury Department: Claims, judgments, and private relief acts.....	19,655,114	12,259,568	1,620	212,868,215	163,033,945	250,001,620
Total, other general government.....	60,944,596	52,728,588	63,105,120	259,655,170	210,895,821	310,540,955
Total, general government (gross).....	1,041,401,006	1,055,736,094	1,304,877,078	1,212,429,398	1,225,151,131	1,568,858,469
Deduct receipts of public enterprise funds.....				3,568,150	3,030,167	3,159,850
Total, general government (net).....	1,041,401,006	1,055,736,094	1,304,877,078	1,208,861,248	1,222,120,964	1,565,698,619
Enacted or recommended in this document.....	1,041,401,006	1,030,807,794	1,086,968,078	1,208,861,248	1,198,117,101	1,346,915,182
Proposed for later transmission.....		24,928,300	217,909,000		24,003,863	218,783,437

SPECIAL ANALYSIS B—Continued
NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES—Continued
BY FUNCTION AND AGENCY—Continued

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
INTEREST						
651. Interest on the public debt: Treasury Department.....	\$6,382,479,416	\$6,475,000,000	\$6,300,000,000	\$6,382,485,640	\$6,475,000,000	\$6,300,000,000
652. Interest on refunds of receipts: Treasury Department.....	82,523,505	77,591,000	72,591,000	82,523,505	77,591,000	72,591,000
653. Interest on uninvested trust funds: Treasury Department.....	4,916,454	5,224,161	5,424,161	4,916,454	5,224,161	5,424,161
Total, interest (enacted or recommended in this document).....	6,469,919,375	6,557,815,161	6,378,015,161	6,469,925,599	6,557,815,161	6,378,015,161
RESERVES FOR PROPOSED LEGISLATION AND CONTINGENCIES:						
Net cost of classified pay increase.....			125,000,000			125,000,000
Other.....		150,000,000	250,000,000		100,000,000	200,000,000
Total, new obligational authority and expenditures (gross)....	62,764,781,535	57,307,805,791	58,642,043,753	79,150,874,280	75,203,123,983	73,331,576,390
Deduct receipts of public enterprise funds.....				11,378,521,038	11,699,358,497	10,923,396,811
Total, new obligational authority and expenditures (net).....	62,764,781,535	57,307,805,791	58,642,043,753	67,772,353,246	63,503,765,486	62,408,179,579
Enacted or recommended in this document.....	62,764,781,535	56,243,844,491	52,793,734,753	67,772,353,246	62,576,591,623	60,143,508,142
Proposed for later transmission.....		1,063,961,300	5,848,309,000		927,173,863	2,264,671,437

SPECIAL ANALYSIS C

EXPLANATION OF THE ESTIMATES OF RECEIPTS

The estimates of receipts from taxes and customs for the current and ensuing fiscal years are prepared in December of each year by the Treasury Department. In general, the estimates of miscellaneous receipts are prepared by the agency depositing the receipts in the Treasury. In accordance with the practice of previous years, the following discussion deals only with estimates based on existing legislation. The estimates assume a rise in business activity, personal income, and corporate profits from present levels.

BUDGET RECEIPTS

Actual budget receipts amounted to \$64,655 million in the fiscal year 1954. Estimated receipts in 1955 and 1956 are expected to decline to \$58,810 million and \$57,737 million, respectively, principally because of the greatly enlarged revenue effect of changes in tax laws. The effect of the across-the-board reduction in individual income tax rates effective January 1, 1954, will be much greater in 1955 and 1956 than in fiscal year 1954. The termination of the excess profits tax on January 1, 1954, which had no appreciable effect in the fiscal year 1954, reduces receipts from this source to a small amount in the fiscal year 1955 and to a negligible magnitude in 1956. The Excise Tax Reduction Act of 1954, effective April 1, 1954, did not have an appreciable effect on receipts in the fiscal year 1954. Receipts in the fiscal years 1955 and 1956 will reflect the full effect of this legislation. The fiscal year 1955 will be the first year affected by the general revision of the Internal Revenue Code enacted in 1954.

Other factors will reduce receipts in the fiscal year 1956 below fiscal year 1955 levels. Reductions in the corporation income tax and certain excise taxes on April 1, 1955, are scheduled under present law. Receipts from the corporation income tax in fiscal year 1956 will not be augmented by the speedup in payments affecting receipts in the immediately preceding 5 years under the Revenue Act of 1950.

FISCAL YEAR 1955

Actual receipts in the fiscal year 1954 and estimated receipts in the fiscal year 1955 are compared by major sources in the following table:

Budget receipts (by source)

[In millions of dollars]

Source	1954 actual	1955 estimate	Increase (+) or decrease (—) 1955 over 1954
Individual income tax.....	32,382.7	30,700.0	—1,682.7
Corporation income and excess profits taxes.....	21,522.9	18,466.0	—3,056.9
Excise taxes.....	10,014.4	8,883.0	—1,131.4
Employment taxes.....	5,425.4	6,080.0	+654.6
Estate and gift taxes.....	945.0	930.0	—15.0
Customs.....	562.0	570.0	+8.0
Internal revenue not otherwise classified.....	9.1	—	—9.1
Miscellaneous receipts.....	2,311.3	2,302.0	—9.3
Total receipts.....	73,172.9	67,931.0	—5,241.9
Deduct—			
(a) Transfer to Federal old-age and survivors insurance trust fund.....	4,537.3	5,190.0	+652.7
(b) Transfer to railroad retirement account.....	603.0	600.0	—3.0
(c) Refunds of receipts.....	3,377.2	3,331.0	—46.2
Budget receipts.....	64,655.4	58,810.0	—5,845.4

Substantial declines in receipts from the most important revenue sources are estimated in the fiscal year 1955. The reductions estimated under the individual income tax and excise taxes are due to tax legislation. The decrease in receipts from the corporation income and excess profits taxes, which is more than half of the decline in budget receipts, reflects the contraction of corporate profits in the calendar year 1954 as well as changes in law. Employment taxes provide the only substantial increase in receipts in 1955 but this increase does not carry through to budget receipts since the major portion of employment tax collections are transferred to trust funds. The full year effect of the increase in tax rates effective January 1, 1954, and the effect of additional legislation enacted in 1954 are primarily responsible for the increase in receipts from employment taxes.

Individual income tax.—Receipts from the individual income tax are estimated to be \$30,700 million in the fiscal year 1955. This is a decrease of \$1,683 million from actual receipts in the fiscal year 1954. The across-the-board reduction in tax rates commencing January 1, 1954, is fully effective in the fiscal year 1955 while it had only a partial effect in the fiscal year 1954. The general revision of the Internal Revenue Code enacted in 1954 is first effective in the fiscal year 1955. The reduction in receipts caused by these changes in law is much greater than the increase resulting from the rise in incomes affecting receipts in the fiscal year 1955 over the levels underlying 1954 receipts.

Corporation income and excess profits taxes.—A sharp decline is anticipated in corporation tax receipts in the fiscal year 1955. The level of corporate profits for the calendar year 1954 is estimated to be substantially less than in 1953. The termination of the excess profits tax which will have a significant effect on receipts in the fiscal year 1955 reduced 1954 receipts by a negligible amount. The initial revenue reduction under the corporation provisions of the general revision of the Internal Revenue Code comes in the fiscal year 1955. The combined effect of these factors is to reduce corporation income and excess profits tax receipts from \$21,523 million in the fiscal year 1954 to \$18,466 million in 1955.

Excise taxes.—Receipts from this source, by major groups, are listed in the table below:

[In millions of dollars]

Source	1954 actual	1955 estimate	Increase (+) or decrease (—) 1955 over 1954
Alcohol taxes.....	2,797.7	2,669.0	—128.7
Tobacco taxes.....	1,580.5	1,541.0	—39.5
Stamp taxes.....	90.0	97.0	+7.0
Manufacturers' excise taxes.....	2,691.6	2,765.0	+73.4
Retailers' excise taxes.....	438.3	307.0	—131.3
Miscellaneous excise taxes.....	1,937.4	1,504.0	—433.4
Unclassified depository receipts.....	478.9	—	—478.9
Total excise taxes.....	10,014.4	8,883.0	—1,131.4

Excise tax receipts in the fiscal year 1955 are estimated to amount to \$8,883 million. This is a decrease of \$1,131 million from 1954 receipts of \$10,014 million. The full-year effect in the fiscal year 1955 of the Excise Tax Reduction Act of 1954 as compared with the relatively small part-

year effect in the fiscal year 1954, plus the effect of reductions scheduled to take effect April 1, 1955, under present law, are primarily responsible for the decrease in receipts.

The amounts reported in the detailed table appearing on pages 1149-1152 and in the group totals above understate the revenue in the fiscal year 1954 from individual taxes in the manufacturers', retailers', and miscellaneous excise tax groups. Beginning July 1, 1954, the bulk of these taxes was paid monthly by direct deposits by taxpayers in Federal Reserve banks and commercial banks designated as Government depositories. At the time of deposit the taxpayer indicates a liability under the general category excise taxes. Tax returns showing the specific tax or taxes for which liability has been incurred (and in most cases payment already made) are filed quarterly with directors of internal revenue. These quarterly tax returns are the basis of the amounts reported for specific taxes in the manufacturers', retailers', and miscellaneous excise tax groups. In the first year of operation of this system—the fiscal year 1954—the lag between time of payment and filing of tax returns results in an understatement of revenues allocated to specific taxes. The magnitude of this understatement is indicated by the amount designated as unclassified depository receipts.

Employment taxes.—The yield of the employment taxes is shown in the table below:

[In millions of dollars]

Source	1954 actual	1955 estimate	Increase (+) or decrease (—) 1955 over 1954
Federal Insurance Contributions Act.....	4,537.3	5,190.0	+652.7
Federal Unemployment Tax Act.....	285.1	290.0	+4.9
Railroad Retirement Tax Act.....	603.0	600.0	—3.0
Total employment taxes.....	5,425.4	6,080.0	+654.6
Deduct—			
(a) Transfer to Federal old-age and survivors insurance trust fund.....	4,537.3	5,190.0	+652.7
(b) Transfer to railroad retirement account.....	603.0	600.0	—3.0
Net employment taxes.....	285.1	290.0	+4.9

Receipts from the Federal Insurance Contributions Act are estimated to amount to \$5,190 million in the fiscal year 1955. This is an increase of \$653 million over actual receipts in the preceding year. The full year effect of the increase in tax rate from 1½ to 2 percent each on employers and employees, effective January 1, 1954, is mainly responsible for this increase.

Estate and gift taxes.—Receipts from estate and gift taxes are estimated to be \$930 million in the fiscal year 1955, a slight decrease from actual receipts in 1954.

Customs.—The estimate of receipts from customs in the fiscal year 1955 is \$570 million, slightly above the amount collected in the fiscal year 1954.

Miscellaneous receipts.—No appreciable change from 1954 levels is expected in the fiscal year 1955.

Refunds of receipts.—Refunds of receipts in the fiscal year 1955 are estimated to decrease slightly from actual refunds in the fiscal year 1954 to \$3,331 million.

FISCAL YEAR 1956

Estimated receipts in the fiscal years 1955 and 1956 are compared by major sources in the following table:

Budget receipts (by source)

[In millions of dollars]

Source	1955 estimate	1956 estimate	Increase (+) or decrease (—) 1956 over 1955
Individual income tax.....	30,700.0	32,500.0	+1,800.0
Corporation income and excess profits taxes.....	18,466.0	15,984.0	—2,482.0
Excise taxes.....	8,883.0	8,328.0	—555.0
Employment taxes.....	6,080.0	7,095.0	+1,015.0
Estate and gift taxes.....	930.0	970.0	+40.0
Customs.....	570.0	570.0	—
Miscellaneous receipts.....	2,302.0	2,486.0	+184.0
Total receipts.....	67,931.0	67,933.0	+2.0
Deduct—			
(a) Transfer to Federal old-age and survivors insurance trust fund.....	5,190.0	6,175.0	+985.0
(b) Transfer to railroad retirement account.....	600.0	625.0	+25.0
(c) Refunds of receipts.....	3,331.0	3,396.0	+65.0
Budget receipts.....	58,810.0	57,737.0	—1,073.0

Total budget receipts in the fiscal year 1956 are estimated to amount to \$57,737 million. This is a decrease of \$1,073 million from the estimate for the fiscal year 1955. Receipts from the individual income tax are expected to increase because of the anticipated rise in income levels. This expansion, however, is more than offset by the large decreases estimated for receipts from the corporation income tax and excise taxes. The decrease in tax rates scheduled as of April 1, 1955, is responsible for all of the decrease in excise taxes and for part of the drop in the corporation tax receipts. Corporation receipts are also adversely affected by the termination of the acceleration in corporation installment payments under the Revenue Act of 1950.

Individual income tax.—Receipts from the individual income tax are estimated to be \$32,500 million in the fiscal year 1956, \$1,800 million greater than the amount estimated for the fiscal year 1955, reflecting the expected rise in income levels.

Corporation income and excess profits taxes.—Receipts from corporate income taxation are estimated to amount to \$15,984 million in the fiscal year 1956, decreasing \$2,482 million in comparison with estimated receipts in the fiscal year 1955. Receipts in the fiscal year 1956 are substantially determined by corporate profits in the calendar year 1955; fiscal year 1955 receipts are largely dependent upon corporate profits in the calendar year 1954. While profits in the calendar year 1955 are expected to increase appreciably over the 1954 level, tax receipts in the fiscal year 1956 will be reduced by the five percentage-point drop in the corporation normal tax, effective April 1, 1955.

An additional explanatory factor in the projected 1955-56 drop in corporate tax receipts is the termination of the temporary increase in fiscal year receipts resulting from the year-by-year acceleration of corporation installment payments required under the revenue act of 1950. This acceleration terminates, for most corporate taxpayers, in the fiscal year 1955. In that year, calendar year corporations will pay their 1954 liabilities in two equal installments, both of which fall in the same fiscal year. Prior to the requirements of the 1950 act, tax liabilities were paid in four installments divided equally between two fiscal years. The effect of the 1950 act was to increase receipts from calendar year corporations by 10 percent in each of the fiscal years 1951 through 1955.

Acceleration of corporate tax payments is continued by the Internal Revenue Code of 1954. However, in contrast to the acceleration of payments under the 1950 Revenue Act, the acceleration of payments under the 1954 act will not increase fiscal year receipts appreciably since the payments of calendar year corporations which comprise most of the corporate group will continue to be made in the same fiscal year.

Corporations will be required to make payments of estimated taxes during the current tax liability year. These payments of estimated tax will increase gradually beginning in the fiscal year 1956 until corporations are again paying four equal installments. In the fiscal year 1960, calendar year corporations will be required to pay their calendar year 1959 liability in four equal installments—in September and December 1959 and March and June 1960.

Excise taxes.—Receipts from this source by major groups are listed in the following table:

[In millions of dollars]

Source	1955 estimate	1956 estimate	Increase (+) or decrease (—) 1956 over 1955
Alcohol taxes.....	2,669.0	2,622.0	—47.0
Tobacco taxes.....	1,541.0	1,443.0	—98.0
Stamp taxes.....	97.0	97.0	—
Manufacturers' excise taxes.....	2,765.0	2,300.0	—465.0
Retailers' excise taxes.....	307.0	319.0	+12.0
Miscellaneous excise taxes.....	1,504.0	1,547.0	+43.0
Total excise taxes.....	8,883.0	8,328.0	—555.0

Decreases are estimated for the fiscal year 1956 in receipts in the alcohol, tobacco, and manufacturers' excise tax groups. Each of these groups contains taxes for which, under present law, the rates are scheduled to decrease on April 1, 1955. The full-year effect of these reductions, as compared with the part-year effect in the fiscal year 1955, is responsible for the decreases in these groups. One tax in the miscellaneous tax group is also scheduled for reduction but the revenue consequence is

small. In this group and in the retailers' group, tax receipts increase in the fiscal year 1956 reflecting an expected increase in the consumption of taxable goods and services.

Employment taxes.—The detail of the yields of the employment taxes is shown in the table below:

[In millions of dollars]

Source	1955 estimate	1956 estimate	Increase (+) or decrease (—) 1956 over 1955
Federal Insurance Contributions Act.....	5,190.0	6,175.0	+985.0
Federal Unemployment Tax Act.....	290.0	295.0	+5.0
Railroad Retirement Tax Act.....	600.0	625.0	+25.0
Total employment taxes.....	6,080.0	7,095.0	+1,015.0
Deduct—			
(a) Transfer to Federal old-age and survivors insurance trust fund.....	5,190.0	6,175.0	+985.0
(b) Transfer to railroad retirement account.....	600.0	625.0	+25.0
Net employment taxes.....	290.0	295.0	+5.0

The large increase in receipts from the Federal Insurance Contributions Act reflects an increase in coverage and an increase in the maximum amounts subject to tax from \$3,600 to \$4,200 a year, as well as rising income levels.

Estate and gift taxes.—Receipts from estate and gift taxes are estimated to be \$970 million in the fiscal year 1956. This represents a small increase over the amount estimated for the fiscal year 1955.

Customs.—Customs receipts are estimated to be \$570 million in the fiscal year 1956, unchanged from fiscal year 1955.

Miscellaneous receipts.—Miscellaneous receipts are estimated to rise slightly to \$2,486 million in the fiscal year 1956.

Refunds of receipts.—Refunds of receipts are estimated to amount to \$3,396 million in the fiscal year 1956. This is an increase of \$65 million above the estimate for the previous year.

SPECIAL ANALYSIS C—Continued

BUDGET RECEIPTS

BY SOURCE

[In thousands]

Source	1954 actual	1955 estimate	1956 estimate
Individual income taxes:			
Withheld.....	\$21,635,410	\$21,100,000	\$22,000,000
Other.....	10,747,307	9,600,000	10,500,000
Total individual income taxes.....	32,382,717	30,700,000	32,500,000
Corporation income and excess profits taxes			
Under existing legislation.....	21,522,854	18,466,000	15,984,000
Under proposed legislation.....			1,050,000
Total corporation income and excess profits taxes under existing and proposed legislation.....	21,522,854	18,466,000	17,034,000
Excise taxes:			
Alcohol taxes:			
Under existing legislation:			
Distilled spirits (domestic and imported).....	1,887,910	1,822,000	1,805,000
Fermented malt liquors.....	769,774	710,000	688,000
Rectification tax.....	25,370	23,000	24,000
Wines (domestic and imported).....	78,678	85,000	82,000
Special taxes in connection with liquor occupations.....	21,539	21,000	21,000
Container stamps.....	13,013	7,000	1,000
All other.....	1,425	1,000	1,000
Total alcohol taxes under existing legislation.....	2,797,711	2,669,000	2,622,000
Under proposed legislation.....		64,000	210,000
Total alcohol taxes under existing and proposed legislation.....	2,797,711	2,733,000	2,832,000
Tobacco taxes:			
Under existing legislation:			
Cigarettes (small).....	1,513,735	1,476,000	1,377,000
Tobacco (chewing and smoking).....	16,250	16,000	16,000
Cigars (large).....	45,857	44,300	45,300
Snuff.....	3,925	4,000	4,000
Cigarette papers and tubes.....	695	600	600
All other.....	50	100	100
Total tobacco taxes under existing legislation.....	1,580,512	1,541,000	1,443,000
Under proposed legislation.....		49,000	179,000
Total tobacco taxes under existing and proposed legislation.....	1,580,512	1,590,000	1,622,000
Documents, other instruments, and playing cards:			
Issues of securities, stock and bond transfers, and deeds of conveyance.....	83,035	90,000	90,000
Playing cards.....	6,941	6,900	6,900
Silver hulsion sales or transfers.....	24	100	100
Total documents, other instruments, and playing cards.....	90,000	97,000	97,000
Manufacturers' excise taxes:			
Under existing legislation:			
Gasoline.....	835,610	915,000	725,000
Lubricating oils.....	68,441	78,000	80,000
Passenger automobiles and motorcycles.....	867,482	880,000	675,000
Automobile trucks, buses, and trailers.....	149,914	139,000	98,000
Parts and accessories for automobiles.....	135,248	152,000	102,000
Tires and inner tubes.....	152,079	190,000	192,000
Electric, gas, and oil appliances.....	97,415	56,000	58,000
Electric light bulbs.....	35,390	20,000	22,000
Radio and television receiving sets, phonographs, phonograph records, and musical instruments.....	153,171	171,000	177,000
Mechanical refrigerators, quick-freeze units, and self-contained air-conditioning units.....	75,059	55,000	60,000
Business and store machines.....	48,992	55,000	56,000
Photographic equipment.....	25,196	15,000	16,000
Matches.....	9,373	5,000	5,000
Sporting goods, including fishing rods, creels, etc.....	13,884	14,000	14,000
Firearms, shells, and cartridges.....	12,489	11,000	11,000
Pistols and revolvers.....	975	1,000	1,000
Fountain and ball point pens; mechanical pencils.....	10,885	8,000	8,000
Total manufacturers' excise taxes under existing legislation.....	2,691,604	2,765,000	2,300,000
Under proposed legislation.....		76,000	627,000
Total manufacturers' excise taxes under existing and proposed legislation.....	2,691,604	2,841,000	2,927,000

SPECIAL ANALYSIS C—Continued

BUDGET RECEIPTS—Continued

[In thousands]

Source	1954 actual	1955 estimate	1956 estimate
Excise taxes—Continued			
Retailers' excise taxes:			
Jewelry.....	\$209,256	\$150,000	\$156,000
Furs.....	39,036	27,000	28,000
Toilet preparations.....	110,149	70,000	73,000
Luggage, handbags, wallets, etc.....	79,891	60,000	62,000
Total retailers' excise taxes.....	438,332	307,000	319,000
Miscellaneous excise taxes:			
Under existing legislation:			
Telephone, telegraph, radio and cable facilities, leased wires, etc.....	412,508	190,000	200,000
Local telephone service.....	359,473	285,000	290,000
Transportation of oil by pipeline.....	30,106	35,000	37,000
Transportation of persons.....	246,180	190,000	195,000
Transportation of property.....	396,519	450,000	470,000
Diesel fuel used in highway vehicles.....	19,056	23,000	20,000
Admissions, exclusive of cabarets, roof gardens, etc.....	271,952	110,000	110,000
Cabarets, roof gardens, etc.....	38,312	45,000	46,000
Wagering taxes, including occupational tax.....	9,558	11,000	11,000
Club dues and initiation fees.....	31,978	40,000	42,000
Leases of safe deposit boxes.....	9,318	7,000	8,000
Coconut and other vegetable oils, processed.....	16,272	18,000	18,000
Sugar tax.....	73,885	80,000	80,000
Coin-operated amusement and gaming devices.....	14,616	15,000	15,000
Bowling alleys and billiard and pool tables.....	3,227	3,000	3,000
All other miscellaneous excise taxes.....	4,443	2,000	2,000
Total miscellaneous excise taxes under existing legislation.....	1,937,404	1,504,000	1,517,000
Under proposed legislation.....		1,000	6,000
Total miscellaneous excise taxes under existing and proposed legislation.....	1,937,404	1,505,000	1,553,000
Unclassified depositary receipts.....	478,881		
Total excise taxes:			
Under existing legislation.....	10,014,444	8,883,000	8,328,000
Under proposed legislation.....		190,000	1,022,000
Total excise taxes under existing and proposed legislation.....	10,014,444	9,073,000	9,350,000
Employment taxes:			
Federal Insurance Contributions Act.....	4,537,270	5,190,000	6,175,000
Federal Unemployment Tax Act.....	285,135	290,000	295,000
Railroad Retirement Tax Act.....	603,042	600,000	625,000
Total employment taxes.....	5,425,446	6,080,000	7,095,000
Estate and gift taxes.....	945,049	930,000	970,000
Customs.....	562,021	570,000	570,000
Internal revenue not otherwise classified.....	9,142		
Miscellaneous receipts:			
Miscellaneous taxes.....	2,638	3,148	3,148
Seigniorage.....	73,308	44,700	35,300
Coinage.....	995	1,258	1,258
Fees for permits and licenses:			
Admission permits and fees.....	3,331	4,389	5,183
Business concessions.....	6,218	6,214	6,532
Immigration, passport and consular fees.....	16,102	15,805	15,805
Patent and copyright fees.....	6,860	6,693	6,715
Registration and filing fees.....	2,594	2,645	2,680
Miscellaneous fees for permits and licenses.....	10,284	11,047	10,510
Total fees for permits and licenses.....	45,390	46,794	47,425
Fines, penalties, and forfeitures:			
Fines, penalties, and forfeitures, agricultural laws.....	4,802	3,255	4,105
Fines, penalties, and forfeitures, emergency war laws.....	858	560	145
Fines, penalties, and forfeitures, immigration and labor laws.....	349	332	332
Fines, penalties, and forfeitures, customs, commerce, and antitrust laws.....	1,727	1,697	1,697
Fines, penalties, and forfeitures, narcotic, prohibition, and alcohol laws.....	115	116	116
Forfeitures, unclaimed money and property.....	1,582	962	962
Miscellaneous fines, penalties, and forfeitures.....	3,254	2,450	2,489
Total fines, penalties, and forfeitures.....	12,687	9,371	9,845

SPECIAL ANALYSIS C—Continued

BUDGET RECEIPTS—Continued

[In thousands]

Source	1954 actual	1955 estimate	1956 estimate
Miscellaneous receipts—Continued			
Gifts and contributions:			
Contributions to "conscience fund".....	\$136	\$75	\$75
Gifts to the United States.....	742	261	246
Total gifts and contributions.....	877	336	321
Interest:			
Interest on loans, Government corporations and enterprises.....	262,715	209,605	220,544
Interest on loans, States, municipalities, and other public bodies.....	68	8	8
Interest on loans to individuals and private organizations.....	1,641	1,060	818
Interest on loans, foreign governments.....	153,451	150,145	156,809
Miscellaneous interest collections.....	40,112	53,515	56,062
Total interest.....	457,987	414,334	434,241
Dividends and other earnings:			
Earnings from Government-owned or sponsored enterprises.....	340,787	250,000	225,000
Miscellaneous dividends and earnings.....	20,622	27	27
Total dividends and other earnings.....	361,409	250,027	225,027
Rents:			
Rent of land.....	9,178	10,138	10,761
Rent of buildings and grounds.....	28,881	28,187	27,791
Rent of equipment and facilities.....	44,053	37,156	37,579
Total rents.....	82,112	75,482	76,131
Royalties:			
Royalties on minerals and other natural resources.....	59,387	213,787	172,847
Royalties on patents and copyrights.....	26	10	5
Total royalties.....	59,413	213,797	172,852
Sale of products:			
Sale of agricultural products, livestock, and livestock products.....	343	265	264
Sale of timber, wildlife, and other natural land products.....	83,485	92,269	95,623
Sale of minerals and mineral products.....	13,050	18,066	15,034
Sale of power and other utilities.....	105,696	123,601	144,244
Sale of publications and reproductions.....	2,415	3,214	2,664
Sale of scrap, salvage, and waste (byproducts).....	5,775	5,828	5,818
Sale of miscellaneous products.....	9,286	8,016	8,307
Total sale of products.....	220,051	251,269	271,953
Fees and other charges for services:			
Fees and other charges for accounting, legal, and judicial services.....	3,266	3,356	3,395
Fees and other charges for communication and transportation services.....	7,774	8,271	8,332
Fees and other charges for quarters, subsistence, laundry, and health services.....	2,818	4,547	4,834
Fees and other charges for testing, inspection, and grading services.....	1,303	1,277	1,306
Fees and other charges for administrative, professional, and scientific services.....	5,693	5,576	5,766
Fees and other charges for miscellaneous services.....	8,949	8,958	9,030
Total fees and other charges for services.....	29,803	31,985	32,664
Sale of Government property:			
Sale of public lands and buildings.....	9,064	7,388	7,239
Sale of surplus Government property.....	134,130	190,452	165,161
Sale of other Government property.....	78,214	69,858	63,068
Total sale of Government property.....	221,408	267,699	225,458
Realization upon loans and investments:			
Repayments of capital investment, Government-owned enterprises.....	5,547	1,600	1,700
Repayment of loans, foreign governments.....	51,524	52,536	61,230
Repayment of loans, States, municipalities, and other public bodies.....	3,855	274	124
Repayment of loans, individuals, and private organizations.....	173,627	198,570	208,703
Proceeds from sale of securities, stocks, and collateral.....	1,112	1,113	1,086
Repayments upon other loans and investments.....	602	(1)	(1)
Total realization upon loans and investments.....	236,266	254,094	272,844

¹ Less than \$500.

SPECIAL ANALYSIS C—Continued

BUDGET RECEIPTS—Continued

[In thousands]

Source	1954 actual	1955 estimate	1956 estimate
Miscellaneous receipts—Continued			
Recoveries and refunds:			
Compensation for Government property lost or damaged.....	\$13,431	\$11,990	\$11,989
War reparations and recoveries under military occupation.....	8,110	8,900	1,100
Recoveries of excess profits and costs.....	38,946	14,448	11,629
Recoveries under foreign aid programs.....	277,713	260,710	508,700
Miscellaneous recoveries and refunds.....	168,719	141,668	144,416
Total recoveries and refunds.....	506,919	437,715	677,834
Total miscellaneous receipts.....	2,311,264	2,302,000	2,486,000
Total receipts under existing and proposed legislation.....	73,172,936	68,121,000	70,005,000
Deduct—			
Transfer to Federal old-age and survivors insurance trust fund.....	4,537,270	5,190,000	6,175,000
Transfer to railroad retirement account.....	603,042	600,000	625,000
Refunds of receipts:			
Under existing legislation.....	3,377,237	3,331,000	3,396,000
Under proposed legislation.....			-191,000
Budget receipts.....	64,655,387	59,000,000	60,000,000

SPECIAL ANALYSIS D

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES

INTRODUCTION

Like the functional classification in special analysis B and the agency classification in part II of the budget, this analysis of Government expenditures is designed to contribute to a general understanding of total budget expenditures and of budgetary problems. It classifies Government expenditures according to those which yield benefits beyond the current fiscal year and those expenditures which in the main yield benefits within the year in which the expenditure is made.

Expenditures of an investment type, that is, those yielding benefits over a period of years, are shown in two major categories—one for the acquisition and improvement of assets by the Federal Government and the other for other broad developmental purposes such as additions to State, local, and private assets and expenditures for research, education, and health, which contribute to the physical productivity of the economy or increase the technical skills and knowledge of individuals. Expenditures which yield benefits currently are also grouped in two major categories—one for aids and services to special groups and the other for current operating expenses.

Comparison with a capital budget.—This analysis is not a capital budget. A capital budget as prepared by some foreign governments and State and local governmental units usually provides separate financing for major capital outlays. The capital outlays may be entirely excluded from the current budgets of these governments or they may be amortized over a period of years by annual charges to the budget. In the Federal budget, however, investment items are usually shown in the same way as expenditures for other purposes and hence included in arriving at the budget surplus or deficit.

A capital budget would also require computing and recording annually an allowance for depreciation and obsolescence on existing physical assets, an allowance for anticipated losses on loan programs, a recognition of any assets given away, and the profits or losses on sales of assets at a figure different from their book value. This analysis makes no provision for such changes in assets. Hence, it does not indicate the extent to which annual increases in investment are offset by depreciation and other changes in existing assets.

On the basis of private accounting practices, investment expenditures would not only be confined to increases in claims or assets owned by the Federal Government, but would also cover all such assets, including office equipment and motor vehicles. With respect to investments in Federal assets, this analysis is limited to major outlays, such as public works construction and military aircraft and ships. On the other hand, this analysis is broader than private accounting practice regarding capital items, since expenditures are viewed in terms of their effect on the economy as a whole; hence, it includes also, as the second major type of investment expenditures, additions to State, local, or private assets or other Federal expenditures whose major objective is to improve the productivity of the Nation.

Recoverability of certain types of expenditures.—The greater part of Federal expenditures for loans, for investment in commodity inventories, and for construction of powerplants is ultimately returned to the Treasury. However, Federal expenditures for most other investment-type programs are not generally expected to be recovered

by specific revenues. Developmental expenditures, however, usually increase the wealth and income of the Nation and often indirectly expand Federal tax revenues over a long period of years. Expenditures of certain Government programs are also financed by the appropriation of part or all of the special receipts which are collected from licenses and fees charged for various special services.

As in the 1955 budget document, this analysis presents expenditures of public enterprise funds on a gross as well as a net basis, in order to indicate the full scope of their operations. The receipt totals indicated in the analysis are only those which are deposited in the revolving funds of such enterprises. Receipts paid directly to the Treasury are excluded from this analysis.

Significant subcategories.—In addition to the four major categories of expenditures already mentioned, this analysis shows separately the expenditures for major national security programs (as defined in special analysis B) and civil programs. Since major national security expenditures represent a large proportion of total budget outlays, such a distinction helps to appraise the significance of outlays within each of the major divisions. For example, military expenditures for fixed assets and other developmental purposes are not usually intended to achieve the same objectives as civil outlays for assets.

Separate subcategories are also shown for expenditures for direct Federal programs, grants-in-aid or loans to State and local governments, and payments to trust funds. Special analysis G gives details on Federal aid to State and local governments and contains a table summarizing these aids according to the major categories of this analysis.

SPECIAL CLASSIFICATION

This special analysis contains for the first time a supplementary rearrangement of the major groups of budget expenditures into five general categories: (1) Current expenses for civil operations and administration, (2) interest, (3) civil benefits, (4) protection, and (5) reserves for proposed legislation and contingencies. A summary table appears on page M12 of the President's budget message. Further details are shown in table 1 on the next page.

Current expenses for civil operations and administration.—The expenditures shown under this heading are predominantly the traditional expenses for civil operations and administration of the Federal Government. Here are found the bulk of the expenditures for the legislative branch, the judiciary, the President's office, the various regulatory activities of the Government, and the administrative expenses of many Cabinet departments and independent agencies. These expenditures are shown on table 2 as a separate subcategory ("Other civil") under the main heading of "Other services and current operating expenses." It should be noted that all construction of civil public works (including construction of Government office buildings) is excluded from this category, although expenses for repair, maintenance, and operation of civil public works are included.

Interest.—This category is identical with that entitled "Interest" in special analysis B. Interest expenditures are predominantly for the public debt. Relatively small expenditures are also made for interest on refunds and on uninvested trust funds.

TABLE 1.—*Supplementary classification of budget expenditures (net)*

[In millions]

	1951 actual	1952 actual	1953 actual	1954 actual	1955 estimate	1956 estimate
Current expenses for civil operations and administration:						
Repair, maintenance, and operation of physical assets (civil).....	\$120	\$166	\$298	\$197	\$242	\$227
Regulation and control.....	398	545	471	426	431	455
Operation and administration of other civil activities.....	1,393	1,463	1,530	1,249	1,242	1,569
Total.....	1,911	2,174	2,299	1,872	1,916	2,251
Interest.....	5,714	5,934	6,583	6,469	6,558	6,378
Civil benefits:						
Additions to Federal assets (excluding major national security).....	1,771	2,905	4,672	2,840	3,323	2,013
Expenditures for other developmental purposes (excluding major national security).....	2,139	1,589	1,726	1,608	1,799	2,055
Current expenses for aids and special services (excluding international).....	7,599	7,659	7,015	7,121	8,137	7,914
Total.....	11,509	12,153	13,413	11,570	13,259	11,984
Protection:						
Additions to Federal assets (major national security).....	6,099	15,059	21,438	19,914	16,762	16,934
Expenditures for other developmental purposes (major national security).....	915	1,285	1,617	1,616	1,546	1,649
Current expenses for aids and special services (international).....	4,311	4,596	5,659	5,012	4,292	4,733
Repair, maintenance, and operation of physical assets (major national security).....	5,828	12,232	10,383	9,401	7,909	8,613
Other national security operation and administration.....	8,474	12,831	12,882	11,920	11,163	11,296
Unallocated reduction in estimates (major national security).....						-1,750
Total.....	25,626	46,002	51,979	47,863	41,673	41,475
Undistributed:						
Reserves for legislation and contingencies.....					100	325
Adjustment to daily Treasury statement.....	-705	-855				
Net budget expenditures.....	44,058	65,410	74,274	67,772	63,504	62,408

Civil benefits.—A large number of programs designed to yield benefits to the Nation generally or to various groups and geographic areas are classified as civil benefits. Except for major national security programs this category contains all of the net budget expenditures shown in table 2 for (1) additions to Federal assets, (2) other developmental purposes, and (3) current expenses for aids and special services (other than international). The largest single program in this category is aid to veterans, for which net expenditures in the fiscal year 1956 are estimated to be 38 percent of all civil benefits.

Other large outlays classified as civil benefits aid agriculture, business, labor, homeowners and tenants, and public assistance recipients. The additions to Federal assets included in this category are loans (net), inventory accumulations, and the construction of civil public works.

Protection.—Expenditures for protection cover all of the items under the heading of major national security in special analysis B plus current expenses for international (civil) programs as shown in table 5.

Undistributed.—There are a number of miscellaneous expenditure items which cannot be allocated to any of the four preceding categories. These items are the reserves for proposed legislation and contingencies and, for the fiscal years 1951 and 1952, the adjustment to the daily Treasury statement basis of reporting budget expenditures. As a result of recent improvement in Federal financial reporting, this adjustment is no longer applicable.

SUMMARY OF SPECIAL ANALYSIS D

Table 2 summarizes expenditures according to the major categories of special analysis D, showing gross and net expenditures, and applicable receipts, for both the major national security and civil components. About \$22.7 billion of estimated net budget expenditures for the fiscal year 1956 represent outlays for the acquisition and improvement

of assets and for other development purposes. Most of these net outlays, \$18.6 billion, are for major national security programs. Current expenses for aids, services, and operations are estimated at \$41.2 billion, net, for the fiscal year 1956. Most of these net outlays, \$23.6 billion, are also for major national security programs.

The estimated reduction of \$1.1 billion in net budget expenditures from 1955 to 1956 is the net result of several decreases and increases:

1. Savings and downward adjustments of \$1.8 billion in the expenditures for military functions of the Department of Defense which it is not feasible to allocate among the various categories of major national security expenditures.

2. A reduction of \$1.1 billion in investment-type expenditures for additions to Federal assets, predominantly reductions in net loans and major commodity inventories for civil programs.

3. An aggregate increase of \$1.8 billion for all other categories shown in table 2. About one-half of this increase is for the operation and administration of major national security programs.

ADDITIONS TO FEDERAL ASSETS

Expenditures in this category represent direct investment by the Federal Government in loans and federally owned physical assets. Net expenditures for such additions to assets are estimated to total \$18.9 billion in the fiscal year 1956, \$1.1 billion below 1955. About 90 percent of total net expenditures in this category are for major national security programs, mostly for military equipment. The 1956 figure for this category does not reflect the expenditure reduction in major national security programs which is not allocated by categories.

Loans.—Direct loans of Federal agencies consist mainly of loans to farmers and homeowners, to public and private agencies serving these two groups, and to private business

TABLE 2.—Summary of investment, operating, and other budget expenditures

[In millions]

	1954 actual			1955 estimate			1956 estimate		
	Gross expenditures	Applicable receipts	Net expenditures	Gross expenditures	Applicable receipts	Net expenditures	Gross expenditures	Applicable receipts	Net expenditures
Additions to Federal assets:									
Civil.....	\$10,421	\$7,582	\$2,840	\$11,361	\$8,039	\$3,323	\$9,086	\$7,073	\$2,013
Major national security.....	19,914		19,914	16,762		16,762	16,934		16,934
Expenditures for other developmental purposes:									
Civil.....	1,632	24	1,608	1,865	66	1,799	2,071	16	2,055
Major national security.....	1,616		1,616	1,546		1,546	1,649		1,649
Current expenses for aids and special services:									
Civil.....	9,588	1,129	8,459	10,033	868	9,166	9,974	1,042	8,931
Major national security.....	3,673		3,673	3,264		3,264	3,716		3,716
Other services and current operating expenses:									
Interest.....	6,469		6,469	6,558		6,558	6,378		6,378
Other civil.....	4,515	2,644	1,872	4,641	2,726	1,916	5,043	2,792	2,251
Major national security.....	21,321	(*)	21,321	19,072		19,072	19,910	(*)	19,910
Reserves for legislation and contingencies.....				100		100	325		325
Deduct: Unallocated reduction in estimates (major national security).....							1,750		1,750
Total.....	79,151	11,379	67,772	75,203	11,699	63,504	73,332	10,923	62,408

* Less than one-half million.

and foreign governments. The Congress has provided that most loan programs operate on a revolving basis. However, the Rural Electrification Administration and the Farmers' Home Administration and a few inactive or smaller loan programs are by law on a nonrevolving basis, with collections on outstanding loans going directly to miscellaneous receipts of the Treasury. In table 3, loans made through revolving funds are included on both a gross and a net basis. Since net expenditures for loans reflect only a fraction of total Government loan activity, gross disbursements more accurately measure the total loan operations of the Government.

In the fiscal year 1956, gross disbursements for loans are estimated to decrease by \$1,150 million from 1955. Collections and other receipts from loans are estimated to decrease by \$711 million. As a result, net budget expenditures for loans are estimated to decline by \$439 million between the fiscal years 1955 and 1956.

Net loans to domestic private borrowers in the fiscal year 1956 are estimated to be \$384 million lower than in 1955.

Of this amount, \$355 million represents a reduction in net loans to private borrowers by the Housing and Home Finance Agency. Most other major loan programs show smaller changes in net expenditures from 1955. An analysis of major credit programs of the Federal Government is contained in special analysis E. In that analysis loan expenditures are shown net of all receipts including collections going directly into miscellaneous receipts of the Treasury.

Public works—sites and direct construction.—This category includes all Federal expenditures for sites and federally constructed civil public works projects, military installations, and other national security facilities which are owned by the United States, including those outside the continental United States. A summary of these and related programs is given in special analysis F.

Total estimated expenditures for direct Federal public works of \$3.4 billion in 1956 represent a decline of \$170 million from the 1955 total. About 70 percent of these expenditures for 1956 will be direct public works for major

TABLE 3.—Additions to Federal assets

[In millions]

	1954 actual			1955 estimate			1956 estimate		
	Gross expenditures	Applicable receipts	Net expenditures	Gross expenditures	Applicable receipts	Net expenditures	Gross expenditures	Applicable receipts	Net expenditures
Loans.....	\$5,457	\$6,039	* \$582	\$6,373	\$5,515	\$858	\$5,223	\$4,804	\$419
Public works—sites and direct construction:									
Civil.....	1,273		1,273	1,177		1,177	977		977
Major national security.....	2,803		2,803	2,263		2,263	2,293		2,293
Major commodity inventories—net change:									
Civil.....	3,552	1,506	2,046	3,634	2,323	1,311	2,799	2,204	595
Major national security.....	618		618	934		934	751		751
Major equipment:									
Civil.....	105	1	104	75	2	73	23	1	22
Major national security.....	15,979		15,979	12,649		12,649	12,744		12,744
Other physical assets—acquisition and improvement:									
Civil.....	34	35	* 1	102	198	* 96	64	64	
Major national security.....	514		514	916		916	1,146		1,146
Total additions to Federal assets.....	30,335	7,582	22,753	28,124	8,039	20,085	26,019	7,073	18,946

* Deduct, excess of repayments and collections over expenditures.

NOTE.—Estimates for the fiscal year 1956 do not reflect the expenditure reduction in major national security programs which is not allocated by categories.

national security programs. Expenditures for construction of atomic energy facilities are estimated to decline while military construction expenditures are estimated to rise in 1956. This comparison does not reflect the unallocated reduction in major national security expenditures. Civil public works expenditures, mainly for water resources and related developments and veterans' hospitals, are estimated to decline from \$1,177 million in 1955 to \$977 million in 1956.

Major commodity inventories.—Gross purchases of commodities held for resale or in stockpiles are expected to total \$3,550 million in the fiscal year 1956, exceeding sales by \$1,346 million. Total purchases include transportation costs, administrative expenses, and storage costs where these are normally included in costs of goods sold.

Net expenditures for stockpiling strategic and critical materials (other than fissionable materials) are estimated at \$751 million in the fiscal year 1956. By June 30, 1956, the stockpile inventory is expected to reach an estimated \$6.3 billion. Net acquisition of farm commodities by the Commodity Credit Corporation under its farm price-support program is estimated at \$431 million in the fiscal year 1956. The value of the Corporation's inventory of commodities as of June 30, 1956, is estimated to total \$4.5 billion.

Major equipment.—Expenditures for major equipment are estimated at \$12.8 billion in 1956, almost the same as in 1955. These expenditures represent, predominantly, purchases of aircraft, naval vessels, tanks, and other major national security equipment needs, as well as construction of merchant ships. Again, the figure for 1956 does not reflect the unallocated reduction in major national security expenditures. Purchases of office equipment, automobiles, furniture and fixtures, etc., are classified as current operating expenses.

Other physical assets—acquisition and improvement.—Expenditures for other physical assets will rise in 1956, mainly because of increased expenditures for the current construction program (other than research and development plant) of the Atomic Energy Commission. This subcategory also includes reforestation and range improvements and real property purchased or acquired as collateral on defaulted loans.

EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES

This category includes Federal expenditures which add to the productivity of the economy over a period of years but which do not directly add to Federal physical and financial assets. Programs which yield the bulk of their benefits immediately are excluded, even though they may also contribute to the longer run economic development of the Nation.

Expenditures for military research and development account for almost half of the total expenditures in this category in 1956. Higher grants to the States for construction of highways are responsible for most of the increase over 1955.

State and local physical assets.—In the fiscal year 1956, the Federal Government will spend an estimated \$897 million on physical assets to be acquired by State and local governments. These outlays, in the form of grants-in-aid such as the Federal-aid highway program, are \$59 million higher than in the preceding year.

Private physical assets.—Federal expenditures which directly add to privately owned physical assets consist predominantly of payments for conservation and improvement of private farms and grants to States for private

TABLE 4.—Expenditures for other developmental purposes

[In millions]

	Expenditures		
	1954 actual	1955 estimate	1956 estimate
Gross expenditures:			
State and local physical assets.....	\$734	\$838	\$897
Private physical assets.....	307	354	415
Education, training, and health.....	314	341	388
Research and development:			
Civil.....	233	288	323
Major national security.....	1,615	1,545	1,648
Engineering and natural resource surveys.....	45	45	49
Total.....	3,248	3,411	3,719
Deduct applicable receipts.....	24	66	16
Net expenditures for other developmental purposes.....	3,224	3,345	3,703

NOTE.—Estimates for the fiscal year 1956 do not reflect the expenditure reduction in major national security programs which is not allocated by categories.

hospitals and other health facilities. Expenditures for both of these programs are estimated to rise moderately.

Education, training, and health.—An estimated \$388 million of net budget expenditures in the fiscal year 1956 will be for developmental purposes in the fields of education, training, and health, an estimated increase of \$47 million over 1955. Designed to promote the knowledge, skills, longevity, and physical vigor of the population, most of these programs are conducted through grants to State and local governments. Included here are school-operating aid to school districts especially affected by defense activities, and grants to States for programs of vocational education, vocational rehabilitation, maternal and child welfare, public health, and agricultural extension work. Closely related are several major items classified in other categories—principally the veterans' education program, which is classified as aids and special services for veterans; the operating expenses of hospital services and medical care programs; and the training of military personnel or other persons in Government service.

Research and development.—The Federal Government contributes, in part, to technological and economic progress through its varied programs of research and development. Net expenditures for such programs in the fiscal year 1956 are estimated at \$1,966 million, \$137 million above 1955. About 84 percent of this total is for major national security research and development, including the work of the Department of Defense and the Atomic Energy Commission.

Definitions of research and development, in this analysis, are those used in special analysis H on page 1195, and agree generally with those used by the National Science Foundation for its analyses of Federal Government activities in this general area.

Engineering and natural resource surveys.—An estimated \$48 million of net budget expenditures in the fiscal year 1956 will be for investigations and surveys for public works programs, topographic mapping, land classification, forest investigations, and other basic surveys. The largest programs of this type are administered by the Geological Survey, the Bureau of Reclamation, and the Coast and Geodetic Survey.

CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES

This category covers current expenditures for programs which primarily provide aids or special services to one or more specific groups. Investment-type expenditures (included in the preceding categories) which provide

substantial benefits to various economic groups, such as loans, public works, and research programs, are excluded. However, this category does contain the administrative and other operating expenses and operating receipts arising from loan programs and from investments in physical assets which benefit specific groups, as well as maintenance costs of any physical assets providing aids and special services. Some of these economic groups also receive benefits from special Federal tax provisions and other nonexpenditure aids, which are not included in this analysis. Approximately 70 percent of expenditures for aids and special services are for civil programs, which are estimated at \$8.9 billion, net, for the fiscal year 1956, \$234 million below the fiscal year 1955.

Agriculture.—Current expenses predominantly for the benefit of farmers consist chiefly of losses realized on the price-support program, expenses of the International Wheat Agreement, Sugar Act payments, expenditures for removal of surplus commodities, and administrative expenses of loan programs and other aids to farmers. Other major expenditures for aids to farmers classified elsewhere in this analysis are provided through loans, conservation payments, and reclamation and other developmental aids. Farmers also benefit indirectly from the school lunch, international, and other programs which are intended primarily for other purposes.

In the fiscal year 1956, current expenses for programs directly benefiting farmers are estimated at \$750 million, net, \$245 million below 1955.

Business.—The major types of current Federal expenditures primarily benefiting private business are the Government payment to the Post Office to pay the losses arising primarily from second-, third-, and fourth-class mail; maritime operating subsidies, and navigation and other aids to the shipping industry; and various aids to air navigation. Largely as a result of the proposed increase in postal rates, net expenditures for these purposes in the fiscal year 1956 are expected to decline to \$537 million, \$213 million below 1955.

Labor.—The largest current Federal expenditure benefiting labor is for the Federal-State program of unemployment insurance and public employment offices, in which the Federal Department of Labor makes grants to the States to cover the full cost of administering these services. This program also benefits employers by recruiting workers to fill job vacancies. Also in this category are the mine safety work of the Bureau of Mines

and some administrative expenses of the Department of Labor. These expenditures for the fiscal year 1956, totaling \$348 million, net, represent an increase of \$76 million over the preceding year.

Homeowners and tenants.—Since loans for the benefit of homeowners and tenants are classified in this analysis as investment-type expenditures, current expenditures consist chiefly of grants to local authorities for low-rent public housing and for slum clearance and urban renewal. These are increasing, as the local agencies complete the plans for the projects and become eligible for the grants. However, receipts for the insurance of mortgages and saving and loan share accounts, and the earnings from holdings of mortgages and other housing loans exceed current gross expenditures for housing in all 3 years shown in the budget.

Veterans.—Current net expenditures for aids to veterans in the fiscal year 1956 are estimated at \$4.5 billion, \$189 million above 1955. Compensation and pension benefits account for more than half of the estimated 1956 total in this subcategory. The monthly compensation payments are to veterans with service-connected disabilities and to the families of deceased veterans. Pensions are paid in non-service-connected cases.

Other important current aids to veterans are hospital and medical care and readjustment benefits for veterans of World War II and the Korean conflict. Included are outlays for education and training of veterans who enroll in schools and colleges, or vocational training on the job or farm; losses under the loan-guaranty programs; and veterans' unemployment allowances.

International.—In the fiscal year 1956, \$3.7 billion or almost 80 percent of total expenditures in this subcategory is for the military part of the mutual security program. About three-fifths of expenditures under this program will be to furnish military equipment and training to friendly nations. Nonmilitary parts of the mutual security expenditures are primarily to strengthen the economies of nations with larger military forces than they can support.

Other aids and special services.—Many other Federal programs involve current expenditures for aids and special services providing major benefits for more than one of the above groups or for other groups. The bulk of such expenditures is grants to help provide public assistance to those in need, including the aged, the blind, the permanently and totally disabled, and dependent children. Other

TABLE 5.—Current expenses for aids and special services

[In millions]

	1954 actual			1955 estimate			1956 estimate		
	Gross expenditures	Applicable receipts	Net expenditures	Gross expenditures	Applicable receipts	Net expenditures	Gross expenditures	Applicable receipts	Net expenditures
Agriculture.....	\$756	\$216	\$540	\$1,130	\$135	\$995	\$1,071	\$321	\$750
Business.....	1,044	396	648	996	246	750	670	133	537
Labor.....	216	—	216	272	—	272	348	—	348
Homeowners and tenants.....	264	380	116	248	340	92	303	351	* 48
Veterans.....	4,230	45	4,185	4,400	53	4,347	4,601	65	4,536
International:									
Civil.....	1,430	91	1,339	1,122	93	1,029	1,190	173	1,017
Major national security.....	3,673	—	3,673	3,264	—	3,264	3,716	—	3,716
Other aids and special services.....	1,648	(*)	1,647	1,865	—	1,865	1,791	—	1,791
Total current expenses for aids and special services.....	13,262	1,129	12,133	13,297	868	12,429	13,689	1,042	12,647

* Less than one-half million.

* Deduct, excess of repayments and collections over expenditures.

major programs include grants to States to help finance low-priced school lunches, hospital operation and medical care by the Public Health Service, and various aids to Indians. These expenditures in the fiscal year 1956 are expected to be \$74 million less than in 1955.

OTHER SERVICES AND CURRENT OPERATING EXPENSES

All other expenditures for Government services or for current operations are included in this major category. In the main, the activities are the basic Government operations of maintaining a military establishment, conducting foreign affairs, making or enforcing laws, collecting taxes, managing and paying interest on the public debt, sharing the retirement costs of civilian employees, and operating the postal service.

Current expenditures for major national security, mostly for operation and maintenance of military facilities and for pay and subsistence of military personnel, dominate this category. It should be noted that the 1956 figures in this major category do not reflect the unallocated expenditure reduction in major national security programs. The largest component of civil expenditures is for interest. All other current civil expenses in 1956 will total about \$2.3 billion, an increase of \$335 million above 1955.

Repair, maintenance, and operation of physical assets excluding special services.—Expenditures to repair, maintain, and operate physical assets are chiefly for maintenance and operation of atomic energy facilities; military structures, equipment, and facilities; and general-purpose public buildings. They also pay for operating certain public assets such as flood-control reservoirs, irrigation works, power facilities, public lands, and national forests.

Net expenditures for civil repair, maintenance, and operation are estimated at \$227 million in the fiscal year 1956, \$15 million below fiscal year 1955. Outlays for the operation and maintenance of structures, equipment, and facilities for major national security programs are estimated at \$8.6 billion, an increase of \$704 million from the 1955 level.

Regulation and control.—Most of the major departments and agencies and many smaller agencies have regulatory

or law-enforcement responsibilities. These include the normal law-enforcement activities of the Department of Justice, the Treasury, and the judiciary, as well as the operations of the independent regulatory agencies. Expenditures for regulation and control are estimated to rise to \$455 million in 1956, \$24 million higher than in 1955.

Operation and maintenance of the postal system.—Since the postal deficit is included under current expenses for aids and special services, this category includes all remaining expenditures and the receipts of the Post Office, which are of the same magnitude and therefore cancel out on a net basis. Gross expenditures and receipts in this subcategory for the fiscal year 1956 are estimated at \$2.5 billion.

Operation and administration of other civil activities.—All other governmentwide or multiple-purpose expenditures for civil programs will increase from \$1,242 million in 1955 to \$1,569 million in 1956. These consist of expenditures for the conduct of foreign affairs; expenditures for tax collection, public debt administration, and other financing activities; expenditures for consideration and enactment of legislation; central procurement, record-keeping, payment of claims, and various other miscellaneous direct Federal programs not elsewhere classified. The largest increase in this subcategory over the 1955 level, \$186 million, is in the recommended Government payment—as employer—for Federal civilian employees' retirement.

Other major national security operation and administration.—Expenditures in this category are estimated to rise from the 1955 level of \$11.2 billion to \$11.3 billion in the fiscal year 1956. They represent predominantly pay and subsistence for military personnel together with smaller but substantial expenditures for civilian components, industrial mobilization, and various departmentwide activities of the Department of Defense.

Interest.—These expenditures include interest on the public debt and smaller amounts of interest on refunds of receipts and on uninvested trust funds. Principally, because of a somewhat lower pattern of interest rates, expenditures for interest are expected to be \$180 million lower in the fiscal year 1956 than in 1955.

TABLE 6.—Other services and current operating expenses

[In millions]

	1954 actual			1955 estimate			1956 estimate		
	Gross expenditures	Applicable receipts	Net expenditures	Gross expenditures	Applicable receipts	Net expenditures	Gross expenditures	Applicable receipts	Net expenditures
Repair, maintenance, and operation of physical assets:									
Civil.....	\$475	\$278	\$197	\$501	\$259	\$242	\$508	\$281	\$227
Major national security.....	9,401		9,401	7,909		7,909	8,613		8,613
Regulation and control.....	427	1	426	433	2	431	457	2	455
Operation and maintenance of the postal system excluding the postal deficit.....	2,364	2,364		2,465	2,465		2,509	2,509	
Operation and administration of other civil activities.....	1,249	(*)	1,249	1,242	(*)	1,242	1,569	(*)	1,569
Other major national security operation and administration.....	11,920	(*)	11,920	11,163	(*)	11,163	11,297	(*)	11,296
Interest.....	6,469		6,469	6,558		6,558	6,378		6,378
Total other services and current operating expenses..	32,305	2,644	29,661	30,271	2,726	27,545	31,331	2,793	28,538

*Less than one-half million.

NOTE.—Estimates for the fiscal year 1956 do not reflect the expenditure reduction in major national security programs which is not allocated by categories.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation

[In millions]

	1954 actual	1955 estimate	1956 estimate		1954 actual	1955 estimate	1956 estimate
ADDITIONS TO FEDERAL ASSETS				ADDITIONS TO FEDERAL ASSETS—Continued			
Loans:				Loans—Continued			
To domestic private borrowers:				To State and local governments—Continued			
Funds appropriated to the President: Expansion of defense production.....	\$115	\$93	\$52	For public works—Continued			
Independent offices:				Loans to the District of Columbia government.....	\$1	\$3	\$12
Farm Credit Administration.....	1,790	1,864	1,967	Other agencies.....	5	14	11
Reconstruction Finance Corporation.....	47			For other than public works:			
Small Business Administration.....	3	44	31	Federal Civil Defense Administration.....	35	4	1
Veterans Administration.....	127	179	193	Housing and Home Finance Agency: Slum clearance and urban renewal.....	24	37	81
Housing and Home Finance Agency:				Total to State and local governments (gross).....	631	522	592
Federal National Mortgage Association.....	481	651	269	Deduct receipts of public enterprise funds:			
Housing loans to educational institutions.....	35	41	28	For public works:			
Federal Housing Administration.....	44	47	46	Housing and Home Finance Agency:			
Other.....	11	1		Public housing.....	936	539	479
Department of Agriculture:				Other.....	3	3	3
Commodity Credit Corporation:				Independent offices: Reconstruction Finance Corporation.....	35		
Price support and grain storage loans ¹	765	938	71	Treasury Department: Reconstruction Finance Corporation.....		23	1
Certificates of interest transactions.....	392	923	1,124	For other than public works:			
Farmers' Home Administration.....	274	242	190	Federal Civil Defense Administration.....	38	4	1
Rural Electrification Administration.....	210	210	225	Housing and Home Finance Agency: Slum clearance and urban renewal.....	14	28	49
Treasury Department:				Subtotal.....	1,026	597	533
Federal Facilities Corporation.....		40		Total to State and local governments (net).....	• 395	• 75	59
Reconstruction Finance Corporation.....		3	1				
Civil defense loans.....	1	3	1	To foreign borrowers:			
Other agencies.....	13	11	10	Funds appropriated to the President: Mutual security program.....	14	167	83
Total to domestic private borrowers (gross).....	4,308	5,289	4,208	Export-Import Bank of Washington.....	504	303	305
Deduct receipts of public enterprise funds:				Treasury: International Finance Corporation.....			35
Funds appropriated to the President: Expansion of defense production.....	63	26	123	Total to foreign borrowers (gross).....	518	470	423
Independent offices:				Deduct receipts of public enterprise funds:			
Farm Credit Administration.....	1,835	1,843	1,930	Export-Import Bank.....	346	286	336
Reconstruction Finance Corporation.....	287			Reconstruction Finance Corporation.....	9		
Veterans Administration.....	21	35	32	Subtotal.....	355	286	336
Small Business Administration.....	1	7	12	Total to foreign borrowers (net).....	163	184	87
Housing and Home Finance Agency:							
Federal National Mortgage Association.....	662	462	420	To quasi-public institutions: Housing and Home Finance Agency: Federal National Mortgage Association: Investment in secondary market operations.....		92	
Housing loans to educational institutions.....	(*)	(*)	1	Deduct receipts of public enterprise funds: Farm Credit Administration.....	29		
Federal Housing Administration.....	11	16	19	Total to quasi-public institutions (net).....	• 29	92	
Other.....	18	10	6	Total loans (gross).....	5,457	6,373	5,223
Department of Agriculture:				Deduct receipts of public enterprise funds.....	6,039	5,515	4,804
Commodity Credit Corporation:				Total loans (net).....	• 582	858	419
Price support and grain storage loans.....	500	907	796				
Certificates of interest transactions.....	1,170	1,169	400	Public works—sites and direct construction:			
Farmers' Home Administration.....	43	64	79	Civil:			
Post Office Department.....	11	8	8	Research and development plant:			
Treasury Department:				National Advisory Committee for Aeronautics.....	40	21	16
Federal Facilities Corporation.....			4				
Reconstruction Finance Corporation.....		80	101				
Civil defense loans.....	(*)	(*)	1				
Other agencies.....	7	5	3				
Subtotal.....	4,629	4,632	3,935				
Total to domestic private borrowers (net).....	• 321	657	273				
To State and local governments:							
For public works:							
Housing and Home Finance Agency:							
Public housing.....	526	454	483				
Other.....	4	2	4				
Independent offices: Reconstruction Finance Corporation.....	36						
Treasury Department: Reconstruction Finance Corporation.....		9					

*Less than one-half million. • Deduct, excess of repayments and collections over expenditures. ¹ Excludes collateral acquisitions, as follows: \$1,484 in 1954, \$1,846 in 1955, and \$1,545 in 1956.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

[In millions]

	1954 actual	1955 estimate	1956 estimate		1954 actual	1955 estimate	1956 estimate
ADDITIONS TO FEDERAL ASSETS—Continued				ADDITIONS TO FEDERAL ASSETS—Continued			
Public works—sites and direct construction—Con.				Major commodity inventories:			
Civil—Continued				Civil:			
Research and development plant—Continued				Funds appropriated to the President: Expansion of			
Department of Health, Education, and Welfare.....	\$8	\$5	\$2	defense production.....	\$387	\$501	\$474
Department of Agriculture.....	(*)	5	5	Federal Civil Defense Administration: Emergency			
Other.....	6	2	1	supplies and equipment.....	40	33	33
Total research and development plant.....	54	33	24	Reconstruction Finance Corporation: Rubber, tin,			
Other than research and development plant:				and fiber.....	294		
Funds appropriated to the President: Expansion				Department of Agriculture: Commodity Credit			
of defense production.....	2	30	12	Corporation: Agricultural commodities ¹	2,831	2,873	2,286
Independent offices:				Treasury Department: Federal Facilities Corporation.....		221	
Veterans Administration.....	54	40	56	Other agencies.....		6	6
Saint Lawrence Seaway Development Cor-				Total major commodity inventories, civil (gross).....	3,552	3,634	2,799
poration.....		6	22				
Tennessee Valley Authority.....	299	282	80	Deduct receipts of public enterprise funds:			
General Services Administration.....	9	18	18	Funds appropriated to the President: Expansion			
Housing and Home Finance Agency.....	21	7	(*)	of defense production.....	100	433	314
Department of Agriculture.....	64	48	24	Reconstruction Finance Corporation.....	275		
Department of Commerce.....	53	52	47	Commodity Credit Corporation: Agricultural			
Department of Defense—Civil Functions:				commodities.....	1,131	1,627	1,855
Flood control and beach erosion control.....	96	98	122	Treasury Department: Federal Facilities Corpo-		261	33
Navigation.....	33	45	72	ration.....		2	2
Multipurpose projects.....	271	218	193	Other agencies.....			
Other.....	6	9	10	Subtotal.....	1,506	2,323	2,204
Department of the Interior:				Total major commodity inventories, civil (net).....	2,046	1,311	595
Bureau of Reclamation.....	163	132	152	Major national security: General Services Adminis-			
Power transmission agencies.....	45	38	32	tration:			
Other.....	54	67	68	Stockpiling of strategic and critical materials.....	618	934	751
Department of Health, Education, and Welfare.....	12	16	12	Total major commodity inventories (gross).....	4,171	4,568	3,550
Department of State.....	12	6	7	Deduct receipts of public enterprise funds.....	1,506	2,323	2,204
Treasury Department.....	7	17	1	Total major commodity inventories (net).....	2,665	2,245	1,346
Legislative branch.....	2	5	16				
Other agencies.....	15	10	10	Major equipment:			
Total other than research and development				Civil:			
plant.....	1,219	1,143	953	Research and development plant: Department of			
Total civil public works.....	1,273	1,177	977	Health, Education, and Welfare.....	3	4	4
Major national security:				Other than research and development plant:			
Research and development plant:				Funds appropriated to the President: Expansion			
Atomic Energy Commission.....	33	39	53	of defense production.....	16	9	
Department of Defense—Military Functions.....	145	150	150	Department of Commerce:			
Total research and development plant.....	178	189	203	Merchant ships.....	68	38	8
Other than research and development plant:				Other.....	(*)		1
Atomic Energy Commission.....	1,052	793	458	Treasury Department.....	8	17	7
General Services Administration: Stockpiling of				Other agencies.....	9	6	2
strategic and critical materials.....	6	1		Total major equipment, civil (gross).....	105	75	23
Department of Defense—Military Functions:				Deduct receipts of public enterprise funds: Funds			
Military public works (excluding infrastructure).....	1,529	1,230	1,558	appropriated to the President: Expansion of			
Reserve components.....	37	49	73	defense production.....	1	2	1
Departmentwide activities.....	1	1	1	Total major equipment, civil (net).....	104	73	22
Total other than research and development							
plant.....	2,625	2,074	2,090	Major national security:			
Total major national security.....	2,803	2,263	2,293	Research and development plant: Atomic Energy			
Total public works—sites and direct construc-				Commission.....	12	11	11
tion.....	4,076	3,440	3,270	Other than research and development plant:			
				Atomic Energy Commission.....	9	11	14
				Department of Defense—Military Functions:			
				Aircraft.....	8,334	7,557	7,550
				Ships.....	1,090	888	999

*Less than one-half million.

¹Excludes collateral acquisitions, as follows: \$1,484 in 1954, \$1,846 in 1955, and \$1,545 in 1956.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

[In millions]

	1954 actual	1955 estimate	1956 estimate		1954 actual	1955 estimate	1956 estimate
ADDITIONS TO FEDERAL ASSETS—Continued				EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES—Continued			
Major equipment—Continued				State and local physical assets—Continued			
Major national security—Continued				Grants-in-aid—Continued			
Other than research and development plant—Continued				For other than public works: Other than research and development plant:			
Department of Defense—Military Functions—Continued				Federal Civil Defense Administration.....	\$14	\$15	\$10
Other.....	\$6,534	\$4,182	\$4,169	Other agencies.....	(*)	1	1
Total major national security, other than research and development plant.....	15,967	12,638	12,732	Total for other than public works.....	14	16	11
Total major equipment, major national security.....	15,979	12,649	12,744	Total State and local physical assets (grants-in-aid).....	734	838	897
Total major equipment (gross).....	16,083	12,724	12,767	Private physical assets:			
Deduct receipts of public enterprise funds.....	1	2	1	Direct Federal programs:			
Total major equipment (net).....	16,082	12,722	12,766	Research and development plant.....	1	4	8
Other physical assets—acquisition and improvement:				Other than research and development plant:			
Civil: Other than research and development plant:				Department of Agriculture:			
Housing and Home Finance Agency.....	21	84	45	Agricultural conservation assistance.....	171	190	212
Department of the Interior.....	8	9	9	Soil Conservation Service.....	60	59	55
Other agencies.....	5	9	10	Commodity Credit Corporation: Loans to Secretary for agricultural conservation assistance.....	30	43	43
Total other physical assets civil (gross).....	34	102	64	Department of Commerce: Merchant ships.....	1	9	35
Deduct receipts of public enterprise funds:				Other agencies.....	3	9	13
Treasury Department: Federal Facilities Corporation.....		112		Total direct Federal programs (gross).....	266	314	366
Housing and Home Finance Agency.....	30	83	62	Deduct receipts of public enterprise funds:			
Other agencies.....	5	3	2	Commodity Credit Corporation.....	18	60	9
Subtotal.....	35	198	64	Other agencies.....	(*)	1	1
Total other physical assets, civil (net).....	*1	*96		Subtotal.....	19	61	10
Major national security: Other than research and development plant: Atomic Energy Commission.....	514	916	1,146	Total direct Federal programs (net).....	247	253	356
Total other physical assets—acquisition and improvement (gross).....	548	1,018	1,210	Grants-in-aid: Other than research and development plant:			
Deduct receipts of public enterprise funds.....	35	198	64	Department of Health, Education, and Welfare:			
Total other physical assets—acquisition and improvement (net).....	513	820	1,146	Private hospital construction.....	40	36	45
Total additions to Federal assets (gross).....	30,335	28,124	26,019	General Services Administration: Hospitals.....	1	2	1
Deduct receipts of public enterprise funds.....	7,582	8,039	7,073	Other agencies.....		2	3
Total additions to Federal assets (net).....	22,753	20,085	18,946	Total grants-in-aid.....	41	40	49
EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES				Total private physical assets (gross).....	307	354	415
State and local physical assets:				Deduct receipts of public enterprise funds.....	19	61	10
Grants-in-aid:				Total private physical assets (net).....	288	293	405
For public works:				Education, training, and health:			
Research and development.....	1			Direct Federal civil programs:			
Other than research and development plant:				Veterans Administration.....	10		
Department of Health, Education, and Welfare:				Department of the Interior.....	45	55	39
School construction.....	105	134	94	Department of Health, Education, and Welfare.....	41	45	82
Hospital construction.....	49	44	55	Other agencies.....	12	12	13
Other.....	5	2		Total direct Federal civil programs.....	108	112	134
Department of Commerce:				Grants-in-aid:			
Roads.....	522	591	669	Department of Health, Education, and Welfare:			
Airports.....	17	14	20	School operation.....	67	73	66
Department of Agriculture: Flood prevention and watershed protection.....	6	12	14	Other education and training.....	54	64	76
Department of Defense—Civil Functions.....		(*)	10	Health and child care.....	52	51	65
Department of the Interior.....	6	13	16	Department of Agriculture.....	32	40	45
Major payment to District of Columbia.....		7	7	Total grants-in-aid.....	205	228	253
Other agencies.....	9	5	1	Major national security: Atomic Energy Commission.....	1	1	1
Total for public works.....	720	822	886	Total education, training, and health.....	314	341	388

* Deduct, excess of repayments and collections over expenditures.

* Less than one-half million

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

[In millions]

	1954 actual	1955 estimate	1956 estimate		1954 actual	1955 estimate	1956 estimate
EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES—Continued				CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Research and development:				Agriculture—Continued			
Direct Federal civil programs:				Direct Federal programs—Continued			
Department of Agriculture.....	\$44	\$50	\$54	Deduct receipts of public enterprise funds—Con.			
Department of Commerce.....	17	43	37	Other agencies.....	\$2	\$1	\$1
Department of Health, Education, and Welfare.....	51	61	67	Subtotal.....	216	135	321
Department of the Interior.....	34	35	35	Total direct Federal programs (net).....	369	769	487
National Advisory Committee for Aeronautics.....	48	49	57	Grants-in-aid: Department of Agriculture:			
National Science Foundation.....	4	7	17	Commodity Credit Corporation: School milk funds			
Other agencies.....	22	23	31	and surplus commodities.....	(*)	125	94
Total direct Federal civil programs (gross).....	220	268	297	Removal of surplus agricultural commodities.....	162	92	160
Deduct receipts of public enterprise funds: Department of the Interior.....	3	4	5	Other.....	10	10	9
Total direct Federal civil programs (net).....	217	264	292	Total grants-in-aid.....	171	226	263
Grants-in-aid: Department of Agriculture.....	13	20	26	Total agriculture (gross).....	756	1,130	1,071
Major national security:				Deduct receipts of public enterprise funds.....	216	135	321
Department of Defense—Military Functions.....	1,385	1,307	1,369	Total agriculture (net).....	540	995	750
Atomic Energy Commission.....	230	238	279	Business:			
Total major national security.....	1,615	1,545	1,648	Funds appropriated to the President: Expansion of			
Total research and development (gross).....	1,848	1,833	1,971	defense production, administrative expenses and			
Deduct receipts of public enterprise funds.....	3	4	5	losses on transactions.....	61	96	58
Total research and development (net).....	1,845	1,829	1,966	Independent offices:			
Engineering and natural resource surveys:				Reconstruction Finance Corporation.....	105		
Direct Federal programs:				Other.....			4
Department of Commerce.....	12	10	10	Department of Commerce:			
Department of the Interior.....	26	26	27	Air navigation aids.....	89	88	92
Other agencies.....	7	7	8	Payments to air carriers.....	49	70	63
Total direct Federal programs (gross).....	45	43	45	Maritime activities: Ship operating subsidies and			
Deduct receipts of public enterprise funds.....	1	2	1	administration.....	100	132	122
Total direct Federal programs (net).....	44	41	44	Other.....	18	22	24
Grants-in-aid.....	(*)	2	4	Department of Defense—Civil Functions:			
Total engineering and natural resources surveys (gross).....	45	45	49	Corps of Engineers: Maintenance and operation of			
Deduct receipts of public enterprise funds.....	1	2	1	river and harbor works.....	62	62	63
Total engineering and natural resource surveys (net).....	44	43	48	Panama Canal Company.....	79	83	80
Total expenditures for other developmental purposes (gross).....	3,248	3,411	3,719	Other.....	2	4	2
Deduct receipts of public enterprise funds.....	24	66	16	Post Office Department: Deficit, excluding Govern-			
Total expenditures for other developmental purposes (net).....	3,224	3,345	3,703	ment mail and nonbusiness services.....	307	267	15
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES				Treasury Department:			
Agriculture:				Coast Guard: Navigation aids.....	164	137	137
Direct Federal programs:				Federal Facilities Corporation.....		25	4
Farm Credit Administration.....	27	21	21	Other agencies.....	10	10	6
Department of Agriculture:				Total business (gross).....	1,044	996	670
Commodity Credit Corporation:				Deduct receipts of public enterprise funds:			
International Wheat Agreement.....	59	106	84	Funds appropriated to the President: Expansion			
Emergency feed.....	112	1		of defense production.....	28	20	18
Sales for foreign currency.....		400	204	Independent offices: Reconstruction Finance Corporation.....	265		
Price support and other.....	146	180	212	Department of Defense—Civil Functions: Panama			
Sugar Act.....	66	61	61	Canal Company.....	90	83	82
Other.....	171	130	222	Treasury Department:			
Department of Labor.....	4	4	4	Federal Facilities Corporation.....		107	8
Total direct Federal programs (gross).....	585	904	808	Reconstruction Finance Corporation activities.....		24	16
Deduct receipts of public enterprise funds:				Other agencies.....	13	12	9
Farm Credit Administration.....	28	21	21	Subtotal.....	396	246	133
Department of Agriculture:				Total business (net).....	648	750	537
Commodity Credit Corporation:				Labor:			
International Wheat Agreement.....			57	Direct Federal programs:			
Emergency feed.....	70	2	42	Treasury Department: Payment to unemployment		64	87
Sales for foreign currency.....		40	125	trust fund.....			
Price support and other.....	86	28	39	Labor and Interior Departments.....	13	13	14
Other.....	30	44	36	Total direct Federal programs.....	13	77	101

*Less than one-half million.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

[In millions]

	1954 actual	1955 estimate	1956 estimate		1954 actual	1955 estimate	1956 estimate
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued				CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Labor—Continued				International—Continued			
Grants-in-aid: Department of Labor: Administration of unemployment compensation and employment services.....	\$203	\$195	\$247	Civil—Continued			
Total labor.....	216	272	348	Department of Agriculture:			
Homeowners and tenants:				Export-Import Bank of Washington.....	\$29	\$31	\$30
Direct Federal programs:				Commodity Stabilization Service: Reimburse-			
Housing and Home Finance Agency:				ments to Commodity Credit Corporation.....			79
Federal National Mortgage Association.....	82	70	69	Commodity Credit Corporation:			
Federal Housing Administration.....	61	13	38	Assistance to Pakistan.....	69	1	
Federal Savings and Loan Insurance Corporation.....	1	1	1	Emergency assistance to friendly countries.....	6	123	98
Other.....	64	49	48	Department of Defense—Civil Functions:			
Other agencies.....	(*)	(*)	(*)	Government and relief in occupied areas.....	4	4	3
Total direct Federal programs (gross).....	208	133	156	Civilian relief in Korea.....	83	26	3
Deduct receipts of public enterprise funds:				Other agencies.....	7	14	13
Federal National Mortgage Association.....	121	108	112	Total civil (gross).....	1,430	1,122	1,190
Federal Housing Administration.....	129	131	146	Deduct receipts of public enterprise funds:			
Federal Savings and Loan Insurance Corporation.....	22	26	29	Funds appropriated to the President: Economic			
Other.....	108	75	64	and technical assistance.....	2	4	4
Subtotal.....	380	340	351	Export-Import Bank.....	88	89	89
Total direct Federal programs (net).....	• 172	• 207	• 195	Department of Agriculture: Commodity Credit			
Grants-in-aid: Housing and Home Finance Agency:				Corporation:			
Public housing.....	44	68	87	Assistance to Pakistan.....			69
Slum clearance and urban renewal.....	12	48	60	Emergency assistance to friendly countries.....			10
Total grants-in-aid.....	56	115	147	Subtotal.....	91	93	173
Total homeowners and tenants (gross).....	264	248	303	Total civil (net).....	1,339	1,029	1,017
Deduct receipts of public enterprise funds.....	380	340	351	Major national security:			
Total homeowners and tenants (net).....	• 116	• 92	• 48	Funds appropriated to the President:			
Veterans:				Military assistance.....	3,629	2,675	3,075
Direct Federal programs:				Direct forces support.....	12	550	600
Veterans' Administration:				Department of Defense—Military Functions: In-			
Readjustment benefits.....	575	623	607	frastructure.....	32	38	41
Compensation and pensions.....	2,482	2,679	2,800	Total major national security.....	3,673	3,264	3,716
Hospital and medical care.....	715	678	699	Total international (gross).....	5,103	4,385	4,906
Other.....	258	246	250	Deduct receipts of public enterprise funds.....	91	93	173
Department of Labor.....	82	131	150	Total international (net).....	5,012	4,292	4,733
Other agencies.....	5	5	5	Other aids and special services:			
Total direct Federal programs (gross).....	4,116	4,362	4,511	Direct Federal programs:			
Deduct receipts of public enterprise funds.....	45	53	65	Department of Agriculture: Commodity Credit			
Total direct Federal programs (net).....	4,071	4,309	4,446	Corporation.....	50	251	199
Payments to trust funds:				Department of Health, Education, and Welfare.....	48	49	51
Railroad Retirement Board: Military service credits.....	35			Department of the Interior.....	20	21	22
Veterans Administration: Life insurance.....	73	32	82	Other agencies.....	6	6	14
Total payments to trust funds.....	108	32	82	Total direct Federal programs (gross).....	124	327	286
Grants-in-aid: Veterans Administration.....	6	7	8	Deduct receipts of public enterprise funds.....	(*)		
Total veterans (gross).....	4,230	4,400	4,601	Total direct Federal programs (net).....	123	327	286
Deduct receipts of public enterprise funds.....	45	53	65	Grants-in-aid:			
Total veterans (net).....	4,185	4,347	4,536	Funds appropriated to the President: Disaster relief.....	3	10	17
International:				Department of Agriculture: School lunch program.....	83	83	68
Civil:				Department of Health, Education, and Welfare:			
Funds appropriated to the President: Economic and				Public assistance.....	1,438	1,445	1,420
technical assistance.....	1,232	924	964	Total grants-in-aid.....	1,524	1,538	1,505
				Total other aids and special services (gross).....	1,648	1,865	1,791
				Deduct receipts of public enterprise funds.....	(*)		
				Total other aids and special services (net).....	1,647	1,865	1,791
				Total current expenses for aids and special services			
				(gross).....	13,262	13,297	13,689
				Deduct receipts of public enterprise funds.....	1,129	868	1,042
				Total current expenses for aids and special			
				services (net).....	12,133	12,429	12,647

• Less than one-half million.

• Deduct, excess of repayments and collections over expenditures.

SPECIAL ANALYSIS D—Continued
INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

[In millions]

	1954 actual	1955 estimate	1956 estimate		1954 actual	1955 estimate	1956 estimate
OTHER SERVICES AND CURRENT OPERATING EXPENSES				OTHER SERVICES AND CURRENT OPER- ATING EXPENSES—Continued			
Repair, maintenance, and operation of physical assets (excluding special services):				Operation and administration of other civil activities— Continued			
Civil:				Other direct Federal programs—Continued			
Tennessee Valley Authority.....	\$101	\$141	\$162	Independent offices—Continued			
General Services Administration.....	106	103	103	Selective Service System.....	\$30	\$29	\$29
Department of Agriculture:				General Services Administration.....	42	46	50
Forest Service.....	38	39	40	Department of Commerce.....	28	26	30
Other.....	16	13	12	Department of Defense—Civil Functions.....	22	23	23
Department of Commerce.....	78	56	38	Department of Justice.....	10	1	(*)
Department of Defense—Civil Functions.....	29	34	35	Department of Labor.....	44	46	47
Department of the Interior.....	97	101	102	Treasury Department: Claims.....	213	163	250
Other agencies.....	10	14	16	Other agencies.....	19	22	20
Total civil (gross).....	475	501	508	Total other direct Federal programs.....	484	438	546
Deduct receipts of public enterprise funds.....	278	259	281				
Total civil (net).....	197	242	227	Retirement and unemployment compensation for Federal employees:			
Major national security:				Direct Federal programs:			
Atomic Energy Commission.....	45	40	37	Civil Service Commission: Retirement.....	34	32	218
Department of Defense—Military Functions.....	9,356	7,869	8,576	Department of Health, Education, and Welfare.....	1	1	1
Total major national security.....	9,401	7,909	8,613	Department of Labor: Unemployment compen- sation for Federal employees.....		33	42
Total repair, maintenance, and operation of physical assets (gross).....	9,876	8,410	9,121	Treasury Department.....	19	20	20
Deduct receipts of public enterprise funds.....	278	259	281	Other agencies.....			1
Total repair, maintenance, and operation of physical assets (net).....	9,598	8,151	8,840	Total retirement and unemployment compen- sation for Federal employees.....	54	86	282
Regulation and control:				Shared revenues and grants-in-aid:			
The Judiciary.....	28	30	33	Department of Agriculture.....	19	17	16
Independent offices: Interstate Commerce Com- mission.....	11	11	12	Department of the Interior.....	48	65	62
Department of Agriculture.....	66	70	70	Treasury Department.....	15	15	15
Department of Commerce.....	25	20	20	Federal payment to District of Columbia.....	12	15	15
Department of Justice:				Other agencies.....	5	5	5
Federal Bureau of Investigation.....	75	79	91	Total shared revenues and grants-in-aid.....	99	117	113
Other.....	96	104	109	Total operation and administration of other civil activities (gross).....	1,249	1,242	1,569
Department of Labor.....	7	7	9	Deduct receipts of public enterprise funds.....	(*)	(*)	(*)
Treasury Department.....	73	71	72	Total operation and administration of other civil activities (net).....	1,249	1,242	1,569
Other agencies.....	46	42	41	Other major national security operation and adminis- tration:			
Total regulation and control (gross).....	427	433	457	General Services Administration.....	26	59	32
Deduct receipts of public enterprise funds.....	1	2	2	Department of Defense—Military Functions:			
Total regulation and control (net).....	426	431	455	Military personnel.....	10,961	10,245	10,295
Operation and maintenance of the postal system (ex- cluding the postal deficit): Post Office Department:				Reserve components (excluding construction).....	547	656	854
Postal service fund (gross).....	2,364	2,465	2,509	Departmentwide activities (excluding construction).....	770	718	792
Deduct receipts of public enterprise funds.....	2,364	2,465	2,509	Working capital (revolving) funds.....	384	515	677
Total operation and maintenance of the postal system (net).....				Total other national security operation and ad- ministration (gross).....	11,920	11,163	11,297
Operation and administration of other civil activities:				Deduct receipts of public enterprise funds.....	(*)	(*)	(*)
International activities:				Total other major national security operation and administration (net).....	11,920	11,163	11,296
International information and education:				Interest:			
United States Information Agency.....	64	72	83	On the public debt.....	6,382	6,475	6,300
Department of State.....	19	17	20	Other interest:			
Other:				On refunds.....	83	78	73
Department of State.....	123	112	117	On uninvested trust funds.....	5	5	5
Other agencies.....		4		Total other interest.....	87	83	78
Total international activities.....	206	205	220	Total interest.....	6,469	6,558	6,378
Federal financial activities:				Total other services and current operating expenses (gross).....	32,305	30,271	31,331
General Accounting Office.....	31	32	32	Deduct receipts of public enterprise funds.....	2,644	2,726	2,793
Tax Court of the United States and Renegotiation Board.....	6	5	5	Total other services and current operating ex- penses (net).....	29,661	27,545	28,538
Treasury Department.....	369	359	371	RESERVES FOR PROPOSED LEGISLATION AND CONTINGENCIES:			
Total Federal financial activities (gross).....	407	396	409	Net cost of classified pay increase.....			125
Deduct receipts of public enterprise funds.....	(*)	(*)	(*)	Other.....		100	200
Total Federal financial activities (net).....	406	396	408	Deduct unallocated reduction in estimates: Depart- ment of Defense—Military Functions.....			1,750
Other direct Federal programs:				Total budget expenditures (net).....	67,772	63,504	62,408
Legislative branch.....	52	58	59				
Independent offices:							
Civil Service Commission.....	16	16	17				
Federal Civil Defense Administration.....	8	9	11				
Foreign Claims Settlement Commission.....		(*)	10				

*Less than one-half million.

*Deduct, excess of repayments and collections over expenditures.

SPECIAL ANALYSIS E

FEDERAL CREDIT PROGRAMS

INTRODUCTION

Federal credit programs are an important method for the achievement of public policy objectives. For example, as part of the Federal programs for improvement of housing and encouragement of home ownership, Federal agencies currently insure or guarantee about 40 percent of all outstanding home-mortgage loans. Similarly, financial assistance in the form of credit is an important part of the Federal program of encouraging efficient family-size farm units. Loans to help restore international economic stability and promote the economic development of underdeveloped areas have been a significant part of the Government's international program in recent years. Federal loans to business are primarily to help meet defense needs and to assist small businesses to obtain financing; they account for only a very small part of business credit. Apart from influences in these specific areas, Federal credit programs exert a powerful influence on the general level of economic activity.

The impact of Federal credit programs on the Federal budget is relatively small when compared with the large amount of credit extended or guaranteed. The most important reason for this is the predominance of Federal insurance and guarantees of private loans in recent years, discussed more fully later in this analysis. Such programs normally involve little or no budget expenditures except in cases when defaults require the guaranteeing or insuring agencies to take over private loans. Secondly, a substantial share of new commitments, both for insurance and guarantees and for direct loans, are canceled or expire without being used by the lending institution or the borrower. Finally, collections on loans in most cases directly offset disbursements on new loans, with the result that net expenditures are much less than gross expenditures; often net receipts occur.

Federal credit programs are intended to supplement rather than to substitute for private credit. They have expanded greatly in the postwar period. Direct loans outstanding increased from about \$5 billion in 1945 to more than \$15 billion on June 30, 1954. However, this amount was only 5 percent of the estimated private debt of \$318 billion outstanding on that date. Private loans partly or wholly guaranteed by Federal agencies have increased nearly sevenfold since 1945 to \$40 billion, comprising an additional 13 percent of total private debt.

COVERAGE OF SPECIAL ANALYSIS

This special analysis presents a broad picture both of direct Federal loans and investments, and of Federal loan insurance and loan guaranty programs. It summarizes new commitments, disbursements and repayments, loans outstanding and guarantees in force, new commitment authority, and status of credit authority of 19 major Federal credit programs. These programs account for nearly all new commitments of Federal credit agencies in the fiscal year 1956.

The analysis covers major credit programs of wholly owned Government enterprises, whether corporate or noncorporate. Included also are major credit operations of other departments and agencies, not primarily engaged in lending activities, such as the Treasury Department

loan to the United Kingdom in 1947. Loan programs of important quasi-public agencies are excluded from the tables, but are discussed separately.

The analysis excludes interagency credit, such as borrowing from the Treasury by other Government agencies, whether for loan or other programs. Credit extended in connection with sales by the Federal Government, such as credit to finance sales of war surplus goods, is also in general excluded.

SUMMARY

Total new commitments for major Federal credit programs for the fiscal year 1956 are estimated at \$20.5 billion (table 1). Of this total, credit aids for housing and related programs, including loans and guaranties by the Housing and Home Finance Agency and the Veterans Administration, account for \$15.1 billion, or about 75 percent; those for agricultural programs account for \$4.6 billion, or 23 percent. The increase in 1956 over 1954 and 1955 reflects primarily more liberal mortgage insurance authorized by the Housing Act of 1954 and greater availability of mortgage funds.

TABLE 1.—Commitments and expenditures for major Federal credit programs classified by agency or program

Agency or program	[In millions]					
	New commitments			Net expenditures		
	1954 actual	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
Housing and Home Finance Agency.....	\$6,224	\$8,036	\$10,118	—\$513	\$185	—\$60
Veterans Administration.....	3,507	5,170	4,942	102	139	156
Department of Agriculture.....	3,883	2,913	2,591	—240	—19	126
Farm Credit Administration.....	1,790	1,864	1,966	—39	26	41
Expansion of defense production.....	145	129	121	50	66	—71
Small Business Administration.....	28	78	72	2	37	19
Treasury Department.....	4			—296	—139	—145
Export-Import Bank.....	250	460	665	158	17	—31
Foreign Operations Administration.....	111	200	(1)	14	167	75
Total.....	15,942	18,850	20,475	—762	479	110
Other agencies or programs.....				—40	135	40
Adjustments for repayments going directly into miscellaneous receipts.....				220	244	269
Total budget expenditures.....				—582	858	419

¹ Not available.

As indicated in detail in table 3 below, expenditures and receipts of major credit programs will be roughly in balance in 1956. The reduction in net expenditures from 1955 is accounted for by curtailment of the exceptionally large disbursements by the Federal National Mortgage Association in 1955.

NEW COMMITMENTS

New commitments provide the best single measure of the trends in most Federal credit programs. They also provide the best indication of trends in the economic impact of these programs, since changes in the magnitude of new commitments usually lead to corresponding changes in the volume of loans disbursed either by public agencies or private lenders.

In this study, commitments are defined as approvals by Federal agencies of direct loans or of insurance or guarantees of private loans. They are shown on a gross basis,

without deductions for commitments which do not result in an actual credit extension. The amounts shown are the principal amounts of the loans; for several guaranty and insurance programs these exceed the Government's contingent liability, since the unguaranteed or uninsured portions are also included.

As table 2 indicates, commitments for Federal guaranties and insurance of private loans account for about 80 percent of total new commitments in 1956. This high proportion arises from legal requirements or administrative policy of making direct loans only where private credit, even with Government guarantee or insurance, is not available on reasonable terms, and from recent revisions in interest rates and other terms designed to make guaranteed and insured loans more attractive to private lenders. Many of the direct loans and investments also encourage private lending, for example, purchases of mortgages by the Federal National Mortgage Association from private financial institutions and discounts by the Federal Intermediate Credit banks of short-term farm credit extended by private lenders.

Direct loans and investments.—New commitments of \$4.1 billion for direct loans and investments in 1956 continue approximately the 1954 and 1955 levels. The slum clearance and urban renewal program continues to expand as more projects go beyond the planning stage. The lending program of the Export-Import Bank is being expanded.

TABLE 2.—New commitments for major Federal credit programs classified by type of assistance, major agency or program

[In millions]

Agency or program	1954 actual		1955 estimate		1956 estimate	
	Direct loans and investments	Guaranties and insurance	Direct loans and investments	Guaranties and insurance	Direct loans and investments	Guaranties and insurance
Housing and Home Finance Agency:						
Federal National Mortgage Association	\$710	-----	\$136	-----	\$162	\$406
Slum clearance and urban renewal	55	-----	138	-----	283	-----
College housing	41	-----	41	-----	66	-----
Federal Housing Administration	11	\$4,637	35	\$6,932	28	8,277
Public Housing Administration	275	495	211	543	301	595
Veterans Administration	112	3,395	161	5,009	90	4,852
Department of Agriculture:						
Rural Electrification Administration	242	-----	240	-----	265	-----
Farmers' Home Administration	182	10	153	33	147	70
Commodity Credit Corporation	355	3,001	369	2,031	306	1,763
Disaster loans	93	-----	87	-----	40	-----
Farm Credit Administration: Federal intermediate credit banks	1,790	-----	1,864	-----	1,966	-----
Expansion of defense production	17	128	-----	129	-----	121
Small Business Administration	13	15	40	38	36	36
Treasury Department: (Reconstruction Finance Corporation liquidation)	4	-----	-----	-----	-----	-----
Export-Import Bank	139	111	293	167	403	262
Foreign Operations Administration	111	-----	200	-----	(1)	-----
Total by type of assistance	4,150	11,792	3,968	14,882	4,093	16,382
Grand total	15,942	-----	18,850	-----	20,475	-----

¹ Not available.

Guaranties and insurance.—New commitments for Federal guaranties and insurance of private loans are estimated at \$16.4 billion in the fiscal year 1956, compared to \$14.9 billion in 1955 and \$11.8 billion in 1954. Guaranties and insurance of housing mortgages will be substantially higher as a result of easier mortgage market conditions during the period and the liberal insurance programs authorized in the Housing Act of 1954. The price support

operations of the Commodity Credit Corporation are declining during the period primarily because of continuation of acreage restrictions and lower support levels on some commodities.

Overlap in commitments.—Total commitments may overstate by 1 to 2 billion dollars the net amount of credit assistance by the Federal Government, especially for housing credit. This is because two or more types of Federal assistance are sometimes provided for the same borrower or the same property at different stages in the financing process. No adjustment is made for this overlap, since the amount in any single year is difficult to estimate.

A substantial share of the housing initially constructed with the aid of mortgage insurance by the Federal Housing Administration is ultimately sold to veterans who finance their purchases with mortgages guaranteed by the Veterans Administration. The Federal National Mortgage Association purchases or participates only in mortgages previously insured by the Federal Housing Administration or guaranteed by the Veterans Administration.

Similarly, local housing authorities normally finance most or all of the construction of low-rent units with temporary loans made or directly guaranteed by the Public Housing Administration. These temporary obligations, however, are refinanced by sale of long-term obligations to private investors on the security of Federal annual contribution contracts. This refinancing accounts for part of the increase in commitments by the Public Housing Administration.

DISBURSEMENTS AND REPAYMENTS

Direct loans and investments can have a major impact on the Federal budget, since the difference between disbursements and repayments represents Federal expenditures or receipts. Federal guaranties and insurance of private loans, on the other hand, ordinarily have only a minor effect on Federal expenditures, since they result primarily in expenditures by private financial institutions. Only if they have been taken over by Federal agencies as a result of defaults or otherwise are they reflected in budget expenditures. Net expenditures for Federal credit assistance give, therefore, only a partial picture of the economic impact of these programs.

Net expenditures of all Government lending programs—with the exception of loans from trust funds or by quasi-public agencies—are included in the budget totals. In most cases, collections are offset directly against expenditures; in a few major programs, however, they go directly to miscellaneous receipts and, therefore, do not affect budget expenditures.

Expenditures of most loan programs are shown in most budget tables on a net basis, i. e., they reflect loan disbursements less repayments of old loans. In table 1 of this analysis, expenditures for loans are shown on a net basis. However, to indicate more clearly the total volume of loans, table 3 shows both gross loan disbursements and repayments (including those going directly to miscellaneous receipts of the Treasury). The difference between these two columns represents the net addition to or reduction in Federal loan assets (excluding chargeoffs and recoveries) for the major credit programs during the fiscal year. To bring total expenditures for loans into line with budget expenditures, net expenditures of minor Federal programs and an adjustment for repayments going directly to miscellaneous receipts are shown.

TABLE 3.—Disbursements and repayments for major Federal credit programs classified by agency or programs

[In millions]

Agency or program	1954 actual		1955 estimate		1956 estimate	
	Disbursements	Repayments	Disbursements	Repayments	Disbursements	Repayments
Housing and Home Finance Agency:						
Federal National Mortgage Association.....	\$481	\$662	\$651	\$462	\$269	\$420
Slum clearance and urban renewal.....	24	14	37	28	81	49
College housing.....	35	—	41	—	28	—
Federal Housing Administration.....	44	11	47	16	46	19
Public Housing Administration.....	526	936	454	539	483	479
Veterans Administration.....	127	25	179	40	193	37
Department of Agriculture:						
Rural Electrification Administration.....	210	59	210	69	225	79
Farmers' Home Administration.....	182	111	155	124	148	129
Commodity Credit Corporation.....	2,640	3,152	3,707	3,922	2,740	2,741
Disaster loans.....	93	43	87	63	40	78
Farm Credit Administration: Federal intermediate credit banks.....	1,790	1,829	1,864	1,838	1,967	1,926
Expansion of defense production:						
Direct loans and advances.....	115	63	93	26	52	123
Guaranties of defense production loans.....	3	5	4	5	3	3
Small Business Administration.....	3	1	44	7	31	12
Treasury Department:						
Reconstruction Finance Corporation liquidation.....	83	333	11	103	1	98
Loan to United Kingdom.....	—	46	—	47	—	48
Export-Import Bank.....	504	346	303	286	305	336
Foreign Operations Administration.....	14	—	167	—	83	8
Total.....	6,874	7,636	8,054	7,575	6,695	6,585
Net addition to loans and investments:						
Major agencies or programs.....	-762	—	479	—	110	—
Other agencies or programs.....	-40	—	135	—	40	—
Adjustment for repayments going directly into miscellaneous receipts.....	220	—	244	—	269	—
Total budget expenditures.....	-582	—	858	—	419	—

In both tables 1 and 3, expenditure figures represent disbursements and repayments of loans only, and exclude all income and expense items. Losses actually incurred and written off are not included because no cash transaction is involved. Consistent with the general definition of budget expenditures, investments in and sales of United States Government securities are excluded.

In the fiscal year 1956 gross loan disbursements of major Federal credit programs are estimated at \$6.7 billion and repayments at \$6.6 billion. Net expenditures of \$110 million are thus only a minor fraction of the gross level of activity. Of the total repayments, \$269 million will go directly to miscellaneous receipts, chiefly repayment of loans by the Farmers' Home Administration, the Rural Electrification Administration, and the Treasury loan to the United Kingdom. Allowing for this adjustment, together with net expenditures of \$40 million for relatively minor credit programs, net budget expenditures for loans will amount to an estimated \$419 million.

Gross disbursements in 1956 are expected to be substantially below the 1955 level. Most of this decline is accounted for by reduced expenditures of the Commodity Credit Corporation as a result of continued acreage restrictions, lower support levels on some commodities, and reduced purchases of dairy products.

Repayments in 1956 are estimated at \$6.6 billion, compared to \$7.6 billion in 1954 and 1955. The reduction in 1956 results in large part from a decrease in private financing of commodity loans; in 1956 a substantially smaller volume of commodity loans will be available to serve as collateral for certificates of interest to be sold to banks and private lenders.

Measured in terms of both disbursements and repayments, the Federal Intermediate Credit Banks represent

one of the most active direct lending programs primarily because of the short-term nature of their advances which are frequently renewed; net expenditures of the banks in 1956 will be only about 2 percent of gross disbursements. On the other hand, current levels of repayments are small when compared with current disbursements in the case of relatively new programs, such as college housing and the Small Business Administration, as well as for programs with predominantly long-term loans such as the Rural Electrification Administration or the Foreign Operations Administration.

Neither current repayments nor net expenditures provide any measure of the ultimate recoverability of the loans made. As indicated in the detailed statements on individual programs, interest or premiums cover expenses and losses for many programs. In some, the legislative mandates make losses probable from time to time, such as the nonrecourse loans of the Commodity Credit Corporation and the loan-guarantee programs of the Veterans Administration.

LOANS OUTSTANDING AND GUARANTIES IN FORCE

The best index of the level of Federal credit programs over a period of years is provided by the total of their outstanding loans, guaranties, and insurance in force.

Outstanding loans and investments by the end of the fiscal year 1956 are estimated at \$16.2 billion, approximately the same as the end of the 1955 (table 4). About half of this represents loans to foreign borrowers, including the outstanding loan of \$3.5 billion to the United Kingdom, loans of \$2.7 billion by the Export-Import Bank, and \$1.8 billion by the Foreign Operations Administration.

TABLE 4.—Outstanding loans, guaranties and insurance for major Federal credit programs classified by agency or program

[In millions]

Agency or program	1954 actual		1955 estimate		1956 estimate	
	Direct loans and investments	Guaranties and insurance	Direct loans and investments	Guaranties and insurance	Direct loans and investments	Guaranties and insurance
Housing and Home Finance Agency:						
Federal National Mortgage Association.....	\$2,301	—	\$2,577	—	\$2,424	\$270
Slum clearance and urban renewal.....	32	\$17	\$41	\$51	73	86
College housing.....	49	—	90	—	117	—
Federal Housing Administration.....	166	17,861	189	20,121	208	22,587
Public Housing Administration.....	198	2,429	156	2,834	160	3,195
Veterans Administration.....	348	17,318	486	20,796	642	23,658
Department of Agriculture:						
Rural Electrification Administration.....	2,164	—	2,305	—	2,451	—
Farmers' Home Administration.....	647	62	666	86	675	146
Commodity Credit Corporation.....	360	2,008	145	1,553	143	865
Disaster loans.....	104	—	128	—	90	—
Farm Credit Administration: Federal intermediate credit banks.....	792	—	817	—	857	—
Expansion of defense production.....	250	641	316	505	243	400
Small Business Administration.....	2	3	53	35	72	57
Treasury Department:						
Reconstruction Finance Corporation liquidation.....	272	31	177	13	80	5
Loan to United Kingdom.....	3,614	—	3,567	—	3,519	—
Export-Import Bank.....	2,672	90	2,695	172	2,670	232
Foreign Operations Administration.....	1,561	—	1,728	—	1,803	—
Total by type of assistance.....	15,532	40,460	16,136	46,166	16,227	51,501
Grand total.....	55,992	—	62,302	—	67,728	—

Guaranties and insurance in force are estimated to increase to \$51.5 billion by the end of the fiscal year 1956. The increase of \$11 billion in the 2 years since the end of 1954 reflects primarily increased guaranties of mort-

gage loans by the Veterans Administration and the Federal Housing Administration. These two programs account for 90 percent of all outstanding guaranties and insurance.

The amounts shown include both the guaranteed and unguaranteed portion of outstanding loans in order to give a clearer picture of the economic impact of these programs and to tie in better with banking statistics. They do not, however, indicate the estimated contingent liability of the Federal Government, which is shown in table 6. The major program on which the contingent liability differs materially from the principal amount of the loans is the veterans' loan-guarantee program. By the end of the fiscal year 1956, the outstanding amount of such loans will be about \$11 billion higher than the Government liability.

The probability that the Government will be called upon to take over any substantial part of the guaranteed or insured portion of outstanding loans is small, except in a national financial emergency. Sizable assets are available to minimize any potential losses. Moreover, in the case of most mortgage insurance programs charging premiums, income in the past has been sufficient not only to cover expenses and current losses, but also to build up substantial reserves.

NEW COMMITMENT AUTHORITY

New commitment authority includes any additional loan or loan guaranty authority made available or recommended. There are several kinds of new commitment authority. Budget authorizations are those included in budget totals of new obligational authority; they consist either of appropriations or of authorizations to expend from public debt receipts. Other authorizations, which do not normally give rise to budget expenditures, consist of insurance and guarantee authorizations and conditional authorizations which become available only under specified conditions.

TABLE 5.—New commitment authority for major Federal credit programs classified by type of authorization, agency, or major program

[In millions]

Agency or program	1954 actual		1955 estimate		1956 estimate	
	Budget authorizations	Other	Budget authorizations	Other	Budget authorizations	Other
Housing and Home Finance Agency:						
Federal National Mortgage Association				\$400		
Slum clearance and urban renewal	\$250					
Federal Housing Administration		\$1,957		3,026		\$4,017
Public Housing Administration		495		543		595
Veterans Administration:						
Direct loans	97		\$134		\$100	
Loan guaranties and insurance		1,954		2,885		2,795
Department of Agriculture:						
Rural Electrification Administration	203	45	210	35	230	35
Farmers' Home Administration	182	100	153	125	147	125
Commodity Credit Corporation	2,707		1,500		2	
Disaster loans	90					
Farm Credit Administration:						
Federal intermediate credit banks				18		26
Expansion of defense production:						
Guaranties of defense production loans		108		109		101
Small Business Administration	55		40		65	
Export-Import Bank			500			
Foreign Operations Administration	111		200		(1)	
Total by type of authorization	3,695	4,659	2,737	7,141	544	7,694
Grand total	8,354		9,878		8,238	

¹Not available.

Table 5 summarizes new commitment authority of the 15 major credit programs which will receive additional authority during the period. New commitment authority for the fiscal year 1956 is estimated at \$8.2 billion compared to \$9.9 billion in 1955. The sharp reduction from 1955 results primarily from reduced requirements of the Commodity Credit Corporation for its price support operations. More than 80 percent of the new authority is required for guaranties and insurance of housing loans by the Federal Housing Administration and Veterans Administration.

New commitment authority for most credit programs is provided by Congress in the basic legislation rather than in appropriation acts. For example, the lending authority of the Export-Import Bank and the Small Business Administration, the borrowing authority of the Commodity Credit Corporation and the Public Housing Administration, and the various mortgage insurance authorizations of the Federal Housing Administration are all prescribed in the statutes governing these programs. Since new commitments can generally be financed out of uncommitted balances of prior authorizations, or out of funds made available by collections on outstanding loans, requests for new commitment authority in any one year are limited to relatively few credit programs. For example, in the fiscal year 1956, new commitment authority is requested for only five major programs—the Veterans Administration's direct loans, the Rural Electrification Administration, the Farmers' Home Administration, the Small Business Administration, and the Federal Housing Administration; in addition, restoration of capital impairment is requested for the Commodity Credit Corporation. In several other programs, however, authority will become available in 1956 without additional action by the Congress.

In several important cases, the authority provided by the basic statute is indefinite. The most important examples are guaranties and insurance of loans by the Veterans Administration, guaranties of defense production loans under section 301 of the Defense Production Act, and indirect guaranties of local housing authority obligations issued on the security of annual contribution contracts of the Public Housing Administration. In these cases, the tabulations show new authorizations equal to the net amount of the guaranteed or insured portion of new commitments.

A second type of new authority indefinite in amount exists in the case of loan programs where the authority can also be used for grants, purchase commitments, or other nonlending purposes. Major examples during the 3-year period are the programs of the Commodity Credit Corporation and the Foreign Operations Administration. In these programs all the new obligational authority provided could legally be used for loans, but is not likely to be so used. Dollar loans by the Foreign Operations Administration in 1955 and 1956 account for only a relatively small part of the total assistance program, so that it would be misleading to include the total amount of the mutual security program as new obligational authority for loan assistance. The data, therefore, show amounts for new authority adequate to finance estimated new commitments. Loans and guaranties by the Commodity Credit Corporation account for a substantial part of its program. Its total new obligational authority is, therefore, included, even though some of it will be used for nonlending purposes.

STATUS OF CREDIT AUTHORITY

Unlike most other Government programs, commitment authority for the major credit programs is not normally provided for a single year, but remains available in most instances until utilized or until the statutory authority for the program expires. Hence, with only a few exceptions, the existing authority represents the cumulative total of amounts made available in prior years.

Cumulative net authority.—Three major types of commitment authority have been provided for Federal credit

programs. A majority of the major programs operate on a revolving-fund basis, that is, collections on outstanding loans and expirations of insurance commitments permit reuse of the original authority. Limitations on such programs are ordinarily in terms of maximum amounts of loans outstanding, maximum borrowings from the Treasury, or maximum amounts of insurance or guaranty liability. Leading examples include almost all lending programs of Government corporations and the insurance programs of the Federal Housing Administration.

TABLE 6.—*Status of credit authority for major Federal credit programs classified by agency or program*

[In millions]

	1954 actual	1955 estimate	1956 estimate								
			1956 total	Housing and Home Finance Agency	Veterans Adminis- tration	Depart- ment of Agricul- ture	Farm Credit Adminis- tration	Expansion of defense produc- tion	Small Business Adminis- tration	Treasury Depart- ment	Export- Import Bank and Foreign Operations Adminis- tration
Cumulative net commitment authority at beginning of year:											
Definite limitation.....	\$44,031	\$46,174	\$47,383	\$29,873	\$505	\$7,472		\$790	\$107	\$3,736	\$4,900
Indefinite limitation.....	13,536	14,716	17,068	2,032	11,478		\$1,116	535		20	1,887
New commitment authority during year:											
Definite limitation.....	6,174	6,640	5,299	4,595	100	539			65		
Indefinite limitation.....	2,180	3,238	2,939	17	2,795		26	101			(1)
Adjustments.....	-5,031	-6,317	-3,872	-416	-1,125	-1,420		-748	-3	-152	-8
Cumulative net authority at end of year.....	60,890	64,451	68,817	36,101	13,753	6,591	1,142	678	169	3,604	6,779
Cumulative charges against authority:											
Loans and investments:											
Outstanding.....	15,532	16,136	16,227	2,982	642	3,359	857	243	72	3,599	4,473
Undisbursed commitments.....	2,307	1,704	1,688	561	19	628		12	11		457
Guaranties and insurance:											
In force.....	32,147	36,281	40,502	26,138	12,742	1,011		320	54	5	232
Commitments outstanding.....	3,307	3,639	5,074	4,447	350	4		103	13		157
Total charges against authority.....	53,293	57,760	63,491	34,128	13,753	5,002	857	678	150	3,604	5,319
Uncommitted authority, end of year.....	7,597	6,691	5,326	1,973		1,589	285		19		1,460

¹ Not available.

In the case of several noncorporate loan and loan insurance programs a maximum limitation is placed upon the total volume of loans and loan insurance commitments. Funds collected on such loans and expirations of such insurance are not available for reuse. Typical examples are the direct loan program of the Rural Electrification Administration and the direct loan and insurance program of the Farmers' Home Administration.

A few programs are not governed by any specific dollar limitations. These are limited only indirectly by the provisions of the statute or of the agency's regulations governing eligibility for Federal credit assistance. The amount committed depends primarily on the number of applications. The most important example is the loan guaranty and insurance program of the Veterans Administration. The loan guaranties authorized under section 301 of the Defense Production Act are also not specifically limited.

In the case of both the Commodity Credit Corporation and lending programs under the Defense Production Act, loans are financed from obligational authority which also finances nonlending programs. For the purposes of this analysis, the net authority available at the beginning of the year for these loan programs is set equal to the total available authority after deducting authority committed for nonlending programs. An exception is made for the Foreign Operations Administration, because its dollar loans account for only a small and indefinite part of the total assistance given under the mutual security program in 1955 and 1956. Its authority at the beginning

of the year is, therefore, shown as equal to loans outstanding and undisbursed commitments at the beginning of the year.

Credit authority available at the beginning of the fiscal year 1956 is estimated at \$64.5 billion (table 6). New commitment authority of \$8.2 billion is estimated to become available during the year. On the other hand, estimated expirations, certain repayments, and other reductions in outstanding authority amount to \$3.9 billion. The net authority available at the end of the fiscal year 1956 is, therefore, estimated at \$68.8 billion.

Charges against authority.—In addition to the \$56.7 billion of outstanding loans and guaranties (shown in detail in table 4 but excluding here the portion of private loans not guaranteed or insured by the Federal Government), charges against the available authority include undisbursed commitments. These are expected to total \$6.8 billion on June 30, 1956.

Uncommitted authority.—For major Federal credit programs as a whole, commitment authority at the end of the fiscal year 1956 is estimated to exceed charges against the authority by \$5.3 billion. Of this unused lending authority, \$1.5 billion is accounted for by the Commodity Credit Corporation, an additional \$1.5 billion by the Export-Import Bank, and the remainder almost entirely by several programs administered by the Housing and Home Finance Agency.

Since the indefinite authority of loan guaranty programs not subject to specific limitations is shown as equal

to charges against the authority, the total uncommitted authority in table 6 does not reflect the fact that these guaranty programs could be expanded substantially under presently available authority. However, about 70 percent of the cumulative authority is subject to definite limitations.

Since this analysis is limited to major active or liquidating credit programs, substantial amounts of uncommitted standby authority of other programs are excluded. The most important examples are the \$3 billion borrowing authority for the Federal Deposit Insurance Corporation, \$1 billion for the Federal home loan banks, and \$750 million for the Federal Savings and Loan Insurance Corporation. These are unlikely to be used unless a national financial emergency occurs.

QUASI-PUBLIC CREDIT PROGRAMS

The Federal Government also has a measure of responsibility for the credit programs of certain mixed-ownership corporations and other public agencies operating in whole or in part with private funds. The most important are the banks for cooperatives, the Federal land banks, the Federal home loan banks, the Federal Reserve banks, and the newly established secondary mortgage market activity of the Federal National Mortgage Association.

The 12 regional banks for cooperatives make loans to agricultural cooperatives. Most of the stock in the banks is still owned by the Federal Government and the banks are supervised by the Farm Credit Administration. Loans outstanding at the end of the fiscal year 1954 were \$305 million, compared to \$319 million in 1953.

The 12 Federal land banks are now privately owned, but are sponsored by the Government and operate under the supervision of the Farm Credit Administration. These banks provide mortgage credit to farmers at relatively low interest rates through individual national farm loan associations. The amount of loans outstanding at the end of 1954 was \$1,242 million, compared with \$1,136 million a year earlier.

The 11 Federal home-loan banks are also now privately owned, but are supervised by the Home Loan Bank Board and have authority to borrow \$1 billion from the Treasury, if necessary. These banks make both short-term and long-term advances to member savings and loan associations on the security of home mortgages or Treasury obligations, as well as unsecured short-term loans. Advances outstanding on June 30, 1954, were \$675 million.

All of the stock in the 12 Federal Reserve banks is provided by the member banks, but the policies of the Federal Reserve System are controlled by the Board of Governors. Moreover, the Reserve banks, after paying 6 percent dividends to the member banks, pay 90 percent of their remaining profits to the Treasury, and their entire surplus reverts to the Treasury in the event of liquidation. As part of their normal central banking functions, the Reserve banks stand ready to make short-term discounts and advances for member institutions and also have a small program of direct loans to industry. The amount of discounts, advances, and industrial loans outstanding on June 30, 1954, was \$38 million with discounts and advances seasonally low on that date. One month later, they were \$185 million.

The Housing Act of 1954 established as a part of the new Federal National Mortgage Association a fiscally separate unit, partially privately financed, to engage in secondary mortgage market operations. The new unit is intended to help make mortgage funds available

throughout the country at market rates of interest. It may purchase only Government insured and guaranteed mortgages meeting the usual standards of private investors, and its operations must be self-supporting. The activity is financed initially by a Government stock subscription of approximately \$92 million transferred from the earlier Association; private mortgage sellers are also required to buy stock, with provision for ultimate retirement of the Government stock. The Association may issue unguaranteed debentures; the Secretary of the Treasury may purchase up to \$1 billion of these. It is estimated that at the end of 1956, its portfolio of mortgages will total \$168 million.

MAJOR AGENCIES OR PROGRAMS

HOUSING AND HOME FINANCE AGENCY

Five major credit programs of the Housing and Home Finance Agency are included in this analysis. In addition, there are a number of minor programs—most of which are in liquidation—which are administered in the Agency.

Federal National Mortgage Association.—Under the Housing Act of 1954, the Federal National Mortgage Association was reconstituted as three fiscally independent activities—for secondary market operations, special assistance functions, and management and liquidating functions—under a single management. The secondary market activity is discussed above as a quasi-public credit program because of its partially private ownership.

The special assistance activity is intended to assist groups or areas otherwise unable to obtain private financing and to help prevent declines in housing activity. Authority is provided by transfer from the old Association to make advance commitments, and to purchase \$200 million in mortgages. In addition the Association can purchase \$100 million in immediate participations of 20 percent in mortgages and make deferred participation agreements to purchase the remaining 80 percent of such mortgages in case of default. This activity in 1955 and 1956 will be largely directed toward supporting the construction and rehabilitation of housing in urban renewal areas. New commitments in 1956 are estimated at \$61 million in mortgages, \$102 million in immediate participations and \$406 million in deferred participations.

The management and liquidating activity of the new Federal National Mortgage Association consists of the liquidation of the \$3 billion in mortgages and undisbursed commitments of the predecessor association. No new commitments can be made and mortgage purchase authority expires as mortgages are sold or repaid. Authority is provided to substitute private financing for Treasury borrowing through the sale of unguaranteed debentures. Because of the large volume of undisbursed commitments, mortgage purchases under the management and liquidating activity rise to \$628 million in 1955, falling in 1956 to \$102 million. The outstanding mortgage portfolio at the end of 1956 is estimated at \$2,263 million compared with \$2,555 million at the end of 1955.

Slum clearance and urban renewal.—Under the Housing Act of 1954, the Housing and Home Finance Administrator is authorized to make loans and grants to local public agencies for the planning and execution of slum clearance and urban renewal projects. Loans are made to cover the cost of project planning, and for the temporary financing of project development. In addition, private temporary loans may be guaranteed through the pledge by local agencies of the Federal loan commitment.

Borrowing authority of \$1 billion is available for these purposes.

The level of loan activity is determined primarily by the number of projects in the development stage. Planning has been completed in an increasing number of communities and projects have entered the actual development stage, so that financing needs are increasing. New loan commitments are estimated to increase from \$55 million in 1954 to \$138 million in 1955 and \$283 million in 1956. Net loan expenditures are expected, however, to remain at relatively low levels because of the short-term maturity of the loans, and the increasing use of guaranteed private financing in lieu of direct Federal loans.

The current interest rate on these loans is 2½ percent. Administrative expenses are financed from a separate appropriation.

College housing loans.—The Housing and Home Finance Administrator is authorized under the Housing Act of 1950 to make 40-year loans to colleges and universities for the construction of dormitories and student and faculty homes. The President has thus far released \$200 million of the available commitment authority of \$300 million and the budget assumes the release of an additional \$25 million in 1956. It is estimated that at the end of 1956 there will be \$117 million in loans outstanding and \$38 million of undisbursed commitments. Virtually all of the remaining authority will be reserved for institutions which have applications in process.

The interest rate on new loans is 3¼ percent. Loans are made only if the borrower is unable to obtain private financing at 3½ percent or less. As a result of efforts to interest private lenders in these loans, commitments canceled because of private financing totaled \$9 million in 1954 and are estimated at \$16 million in 1955 and \$30 million in 1956.

Federal Housing Administration.—The Federal Housing Administration is authorized to insure against default (a) the full principal amount of a wide variety of mortgage loans on new and existing housing, and (b) up to 90 percent of the principal amount on unsecured home improvement loans. The basic program for 1- to 4-family housing accounts for the bulk of mortgage insurance activity, but insurance is also provided for mortgages on rental housing, housing under cooperative ownership, and housing on military reservations and in critical defense areas. Approximately 18 percent of all outstanding home mortgages are insured by the Administration.

New insurance commitments, chiefly on mortgages, are expected to rise sharply in 1955 and 1956 as a result of (a) higher loan-to-value ratios and longer maturities permitted by the Housing Act of 1954, (b) three new and more liberal mortgage insurance programs for housing in urban renewal areas, for displaced slum dwellers and for servicemen, authorized by the same act, and (c) the easing of the mortgage market since early 1954. In 1956, it is estimated that commitments will be made for insurance of mortgages on nearly 800,000 homes and for 1,500,000 home improvement loans.

The Administration's program is fully self-supporting. Insurance premiums, fees, and other income will cover all current expenses and add substantially to the reserve against future losses. The current maximum interest rate is 4½ percent for insured home mortgages and 4¼ percent for mortgages on rental housing, exclusive of the insurance premium.

Public Housing Administration.—Under the Housing Act of 1949, the Public Housing Administration makes loans and grants to assist local authorities in the construc-

tion of low-rent public housing. These loans and grants are made under annual contribution contracts between the Administration and local authorities. The annual contribution contracts provide for (1) loan commitments by the Administration not to exceed 90 percent of project development costs, and (2) the payment of annual Federal contributions over a 40-year period to cover debt service on the bonds used to finance the project permanently.

Commitments under annual contribution contracts are either disbursed as direct Federal advances or used to guarantee private temporary loans. Most frequently, a direct Federal advance is made initially and later refunded with guaranteed financing. Ordinarily long-term bonds are sold to private investors prior to completion of construction, and all temporary financing, both direct and guaranteed, is retired. However, under some circumstances, the period of temporary financing may be indefinitely extended. The Administration's borrowing authority for these purposes is \$1.5 billion. Because of the decline in the number of units under construction, the volume of temporary financing, including both public and private loans, will decline during 1955 and 1956. During 1954, most of the Public Housing Administration portfolio was refunded with private loans; holdings will have been reduced by 1956 to minimum levels reflecting current program requirements.

Prior to completion of construction, the units are permanently financed by the local housing authority through the sale of 40-year serial bonds to private investors. While not directly guaranteed by the Federal Government, these local housing authority bonds are treated in this analysis as guaranteed obligations by virtue of the Government contract to pay annual contributions covering debt service. The outstanding permanent financing is expected to increase from \$1.3 billion at the end of 1954 to \$2.4 billion by the end of 1956, reflecting the completion and permanent financing of a large number of units started in earlier years.

On direct Federal loans, local authorities are charged at the present time an interest rate of 2½ percent. In recent months interest rates on private temporary loans have been less than 1 percent and on long-term loans have ranged between 2½ and 2¾ percent, depending primarily on variations in market rates of interest.

VETERANS ADMINISTRATION

This analysis includes the loan guaranty and insurance programs and the direct housing loan program authorized under the Servicemen's Readjustment Act of 1944, as amended. It excludes minor lending activities of the Veterans Administration, such as the policy loans made by the veterans' life insurance funds and a few very small inactive programs.

Loan guaranties and insurance.—The Administrator of Veterans' Affairs guarantees housing, business, and farm loans made by private lenders to World War II and Korean War veterans. By June 30, 1954, approximately 3,720,000 loans of all types had been guaranteed, of which 92 percent were for homes, 6 percent for business, and 2 percent for farms; currently housing loans account for nearly 99 percent. It is estimated that loan guaranties approved will increase from 333,000 in the fiscal year 1954 to 465,000 in 1956. This increase reflects the greater demand for housing and the increased availability of mortgage credit. There is no statutory limit on the total

amount of the loans. The maximum interest rate on guaranteed or insured loans is 4½ percent.

Under existing legislation, the Government is liable for all losses on most loans up to 60 percent of the principal amount, or \$7,500, whichever is less. No charge is made by the Government for its guaranty. Administrative expenses are paid from the general operating expenses appropriation of the Veterans Administration and claims are paid from a general appropriation for veterans' readjustment benefits. Net losses on claims paid up to June 30, 1954, amounted to about \$32 million.

Direct housing loans.—In areas where the guaranty program is ineffective because of lack of private loans at 4½ percent interest, the Veterans' Administrator may make loans directly to veterans for the purchase or construction of homes (including farm housing) at 4½ percent interest. It is estimated that by June 30, 1955, about 79,000 direct loans will have been made. The present law expires on June 30, 1955, but the President is recommending its extension until July 25, 1957, the expiration date for the loan guaranty and insurance program for World War II veterans.

DEPARTMENT OF AGRICULTURE

Four major credit programs of the Department of Agriculture are included in this analysis.

Rural Electrification Administration.—Since 1935, the Rural Electrification Administration has been making loans with 35-year maturities, chiefly to cooperatives, to finance construction of electrical distribution, transmission, and generating facilities to serve rural areas without central-station service. Since 1950, similar loans have been made to finance construction and improvement of rural telephone systems.

New obligational authority is provided annually in the budget to finance these programs. New commitments for 1956 will be \$265 million, compared to \$240 million in 1955. Higher commitments are anticipated in both the electrification and the telephone programs. The great bulk of expenditures in 1956 will arise from commitments made in previous years; undisbursed commitments of \$626 million at the end of 1956 will be the basis for disbursements for nearly 3 years, on the average.

Interest rates are set by statute at 2 percent, somewhat below the present cost of long-term money to the Treasury of about 2½ percent. Administrative expenses are financed by a separate appropriation. Collections of principal and interest are deposited in miscellaneous receipts of the Treasury. Out of a total of about \$2.4 billion of loans so far, losses have been less than \$50,000.

Farmers' Home Administration.—The Farmers' Home Administration makes loans to farmers unable to obtain credit from other sources for farm operating expenses and crop production, farm ownership and improvement, and for soil and water conservation activities. Loans are intended to strengthen the family-type farm and encourage better farming methods. These loan programs are financed by annual authorizations. The Administration may also insure a maximum of \$100 million a year in long-term mortgage loans under the farm ownership program and a maximum of \$25 million a year under the soil and water loan program.

Although new direct loan commitments of \$147 million in 1956 will be at a slightly lower level than in 1955, the volume of loans insured by the Administration is expected to increase from \$33 million in 1955 to \$70 million in 1956. This increase results from the greater attractiveness of insured loans to private lenders as a result of higher interest

rates authorized in recent legislation. The Secretary of Agriculture has authorized interest rates on insured farm ownership and soil and water loans of 4½ percent, of which one-half percent represents the insurance premium and one-half percent a charge for administrative expenses.

The interest rate on most of the direct loans is 5 percent. Administrative expenses are covered by separate appropriations. Collections of interest and principal go into miscellaneous receipts of the Treasury.

Commodity Credit Corporation.—In carrying out the Government's program of supporting prices of agricultural commodities, the Commodity Credit Corporation makes direct loans to farmers, guarantees loans made by private lending agencies, and issues certificates of interest in its loans to private banks. Loans and guarantees enable farmers to market their commodities in an orderly manner and secure prices for such commodities in line with the standards set forth in law. All loans are backed by commodities and borrowers may discharge their obligations without personal liability by turning over pledged commodities to the Corporation. These forfeitures of collateral are treated as repayments of loans in this analysis. The Corporation also makes loans for the construction or improvement of farm-storage facilities.

The Corporation's borrowing authority was increased from \$6,750 million to \$10 billion during 1954 and 1955. No additional borrowing authority is requested for price support activities in 1956. However, a \$190 million appropriation will be needed to restore the impairment of the Corporation's capital resulting from 1954 operations and from advances made to finance certain 1954 programs of the Department of Agriculture. New commitments in the fiscal year 1956 are estimated at \$2,069 million as compared with \$2,400 million in 1955. Repayments of direct loans in 1956 are estimated at \$2,741 million, almost identical to estimated disbursements.

Less use will be made of private financing in the 1956 price support program than in 1955. Present indications are that a smaller volume of commodity loans will be available in 1956 to serve as collateral for certificates of interest to be sold to private lenders. This will not affect the Corporation's use of borrowing authority, but will increase direct expenditures by an amount equal to the decline in outstanding certificates of interest.

In line with the trend of interest rates on short-term Government and private borrowings, the Corporation reduced interest rates on 1954 crop loans from 4 to 3½ percent; the lender's share in the case of guaranties was established at 1¼ percent, plus service charges.

Disaster loans.—The Secretary of Agriculture has a revolving fund administered through the Farmers' Home Administration from which emergency loans may be made to farmers and stockmen suffering from production disasters and unable to obtain credit from other sources. As a part of the emergency drought assistance program of the current fiscal year, the Congress made available an additional \$90 million for disaster loans at 3 percent interest, and for special livestock loans at 5 percent interest. New commitments in 1956 are expected to be less than one-half the 1954 and 1955 levels, and repayments are estimated to exceed disbursements by \$38 million.

FARM CREDIT ADMINISTRATION

The Farm Credit Administration supervises the Federal intermediate credit banks, production credit corporations, the Federal Farm Mortgage Corporation (in liquidation), the Federal land banks, and the banks for cooperatives.

All except the Federal intermediate credit banks are either quasi-public agencies or relatively inactive in extending credit.

Federal intermediate credit banks.—The 12 Federal intermediate credit banks extend credit to production credit associations and privately capitalized farm-lending institutions by discounting short-term notes to help finance the production needs of farmers. To finance their operations, the banks sell short-term debentures to the public. The banks may have obligations outstanding of not more than 10 times their capital and surplus. Their capital and surplus can be increased by additional subscriptions from a revolving fund in the Treasury. The total obligational authority of \$1,098 million available on June 30, 1954, includes these potential increases in the banks' funds.

New commitments of these banks have risen steadily in recent years, mainly as a result of expanding farm production and rising costs. Reduced farm income and the resulting need to renew loans also have contributed to the rise in commitments. In 1956 they are expected to amount to \$1,966 million, which is almost 10 percent higher than in 1954. Repayments, however, will nearly cover disbursements, with net expenditures estimated at \$40 million.

Interest rates charged vary with the costs of funds to the individual banks, and on January 1, 1955, ranged from 1½ to 2 percent. They are set high enough to cover all expenses. One-quarter of the net income of the banks is paid to the Treasury as a statutory franchise tax and the rest is added to their surplus and reserves, which on June 30, 1954, amounted to \$50 million:

EXPANSION OF DEFENSE PRODUCTION

Under the Defense Production Act, the President is authorized to make loans or advances or to guarantee loans for expansion of defense production. Numerous agencies participate in these programs. The Defense Production Act expires on June 30, 1955, but the President has requested its extension for 2 years.

Loan guaranties.—Under section 301 of the Defense Production Act, the Departments of the Army, the Navy, the Air Force, Commerce, the Interior, and Agriculture, the Atomic Energy Commission, and the General Services Administration are authorized to guarantee loans by public or private financing institutions to defense contractors and subcontractors. The Federal Reserve banks act as fiscal agents for the guaranties of private loans, and the procedure is governed by the Federal Reserve Board's regulation V. No specific limitation is placed on the amount of loan guaranties.

From the beginning of the program in September 1950 to the end of December 1954, about 1,375 V-loans, totaling \$2.5 billion were authorized by the procurement agencies. About 90 percent of the guaranties have been authorized by the Departments of the Air Force, the Army, and the Navy, primarily to speed the production of aircraft and aircraft parts, electronics and communication equipment, tanks, weapons, and ammunition. Guaranties by the General Services Administration to expand production of aluminum and other basic minerals and metals account for nearly all of the remainder. The volume of new commitments will continue to decline in 1956 as expansion goals are being reached.

To cover administrative expenses and possible losses, charges are made for guaranties, depending upon the proportion of the loan guaranteed. This proportion has

averaged about 80 percent. The guaranteed portion of loans must be purchased by the procurement agency upon request of the lender. So far, income has substantially exceeded expenses.

Loans and advances.—Under section 302 of the Defense Production Act, the President is authorized to make direct loans or to participate in private loans for the expansion of industrial capacity, development of technological processes, or production of essential materials. The President has delegated this authority to the Treasury Department since the liquidation of the Reconstruction Finance Corporation, and to the Export-Import Bank. The authority is available for borrowers upon certification by the appropriate defense agency as to essentiality to the defense effort. Certifications of loans to the Reconstruction Finance Corporation totaled about \$212 million on June 30, 1954, of which most was to assist in expanding the production of copper, steel, and other basic minerals and metals. Loans by the Export-Import Bank account for only a relatively small part of the total. No new commitments are anticipated in 1955 and 1956, since most of the planned expansion is already underway.

Under section 303 of the same act, the General Services Administration makes advances on purchase commitments for strategic minerals and metals and industrial equipment. No new advances are expected in 1955 and 1956.

Interest rates charged on both loans and advances are generally 5 percent. No net ultimate cost is expected.

SMALL BUSINESS ADMINISTRATION

The Small Business Administration was created on July 30, 1953, and since the expiration of the lending authority of the Reconstruction Finance Corporation on September 29, 1953, has been authorized to make loans to small business and to victims of disasters. The legislative authority for these programs expires on June 30, 1955, but the President has requested its extension.

Loans to small business are authorized up to a total of \$150 million outstanding at any one time. The maximum loan to any one borrower is \$150,000, and maximum maturity generally 10 years. Loans may be made only if financial assistance is not otherwise available on reasonable terms and if there is reasonable assurance of repayment. Moreover, direct loans are made only where the extension of credit jointly with private banks is not possible. The budget assumes that the 1955 level of about 1,200 loans will continue in 1956. More than two-thirds of the loans made so far have been made jointly with private banks. The current interest rate on small business loans is 6 percent.

The Administrator also has broad authority to make loans to victims of floods or other disasters. His policy is to designate disaster areas, residents of which are eligible for special financial assistance. There is no limit on the amount that may be loaned to each borrower, but the aggregate outstanding at any one time may not exceed \$25 million. Loans for housing may have maturities up to 20 years, but other loans are limited to 10 years. Current interest rates are 3 percent for disaster housing loans, and 5 percent for other disaster loans. The Small Business Administration also administers disaster loans previously made by the Reconstruction Finance Corporation.

Appropriations of \$80 million have been made to finance the small business and disaster loan programs since the agency was established. It is estimated that an additional \$15 million will be needed to finance loans in 1955, and \$65 million in 1956.

TREASURY DEPARTMENT

The only credit programs administered by the Treasury Department and included in this analysis are the liquidation of Reconstruction Finance Corporation loans and the 1947 loan to the United Kingdom. The Treasury Department also makes a small amount of civil defense loans. The President has proposed that the Treasury be authorized to invest \$35 million in 1956 as the United States share of the initial capital of a proposed International Finance Corporation.

Reconstruction Finance Corporation.—The Reconstruction Finance Corporation Liquidation Act terminated the authority of the Corporation to make new loan commitments on September 28, 1953, and provided for complete termination of the Corporation on June 30, 1954. The Corporation's foreign loans have been transferred for liquidation to the Export-Import Bank, certain mortgages to the Federal National Mortgage Association, disaster loans to the Small Business Administration, and business and public agency loans to the Treasury Department. During the 3-year period from June 30, 1953, to June 30, 1956, business loans and commitments will have been reduced from \$458 million to about \$53 million.

Loan to United Kingdom.—A loan of \$3,750 million was made to the United Kingdom in 1947 and 1948. It is a 50-year loan at 2-percent interest. Repayments of principal have been made on schedule, beginning in 1951. They are deposited directly in miscellaneous receipts and are not available for new loans.

EXPORT-IMPORT BANK OF WASHINGTON

The Export-Import Bank is the principal foreign lending agency of the Government, with total lending and insurance authority of \$5 billion. Its major function is the promotion of trade between the United States and foreign countries. It extends loans to finance American exports and imports and the development of sources of strategic materials, and to promote the economic development of underdeveloped countries. The Bank also acts as an agent for the Foreign Operations Administration in administering loans and makes a limited number of loans under authority of the Defense Production Act. In 1953

the Bank was authorized to use up to \$100 million of its lending authority to insure American exporters against certain risks of expropriation and confiscation.

Increased emphasis is being placed by the Bank on guaranteeing loans, rather than making loans directly. The Bank has also instituted a system of extending lines of credit to approved exporters. Loan maturities vary from several months on export credits to a number of years on developmental loans. Interest rates vary with the type of loan and are directly related to prevailing yields on United States Government securities; they are lower on loans made to or guaranteed by a foreign government. Present rates range from 3½ percent on short-term export credits to 6 percent on certain long-term unguaranteed loans. Losses have been extremely small and income is more than adequate to cover costs; reserves amounting to \$300 million on June 30, 1954, have been set aside for future contingencies. Annual dividends are being paid to the Treasury at the rate of 2¼ percent on capital stock.

FOREIGN OPERATIONS ADMINISTRATION

The Foreign Operations Administration and its predecessor organizations—the Economic Cooperation Administration, the Mutual Security Agency and the Technical Cooperation Administration—have made loans to foreign governments as part of a broad program to assist in the restoration of economic stability and to promote the economic development of underdeveloped areas in the free world.

More than half of the loans were made during 1949, shortly after passage of the Foreign Assistance Act of 1948. Most of the loans are administered by the Export-Import Bank as agent for the Foreign Operations Administration. Their maturities are 28 years, except a loan to India which is for 30 years, and basic materials development loans which are for 10 to 20 years. Interest charges on most outstanding loans are 2½ percent. However, interest on loans for the development of basic materials is generally 5 percent. Costs of administering the loans are financed from funds available for the general administration of the agency. The first significant repayments are expected in 1956.

SPECIAL ANALYSIS F

FEDERAL ACTIVITIES IN PUBLIC WORKS AND OTHER CONSTRUCTION

Federal construction activities are an important part of the total construction activities of the Nation. Direct Federal construction currently constitutes about 9 percent of total construction, and federally aided State and local construction represents another 4 percent. In addition, substantial amounts of other public and private construction result from various types of Federal financial assistance to public and private organizations and to individuals. These Federal construction activities create demands for materials, equipment and labor which have an important bearing on the level of economic activity throughout the Nation, and have a direct effect on the total volume of construction. For these reasons an overall analysis of Federal construction activities is useful in an appraisal of this aspect of the Federal Government's program.

The following analysis describes the various Federal construction activities and presents, in the tables on pages 1183 to 1188, a summary of the authorizations and expenditures for direct Federal construction and for grant and loan programs to aid State and local construction. Detailed information on these activities is presented in part II of the budget under the agency responsible for the activity. A reconciliation of the public works expenditures with the major categories of special analysis D, entitled "Investment, operating, and other budget expenditures," is shown on page 1183.

The various programs of the Federal Government require a wide variety of facilities and structures. These range from small buildings to large river basin developments or military installations. Some of these facilities are provided directly by the Federal Government, either as civil or national security public works. In other cases the Government aids in the construction of non-Federal public works in which there is a national interest through loans or grants to States and local governments, or through participation in cooperative projects. The private construction industry builds most of these facilities and structures under contract with Federal, State, or local agencies.

The volume and types of Federal construction vary from year to year as national needs and objectives change. Economic and fiscal policies, the level of construction costs, and the magnitude of State, local, and private construction also affect the Federal program.

The expenditures shown for public works and other construction in this analysis are budget expenditures rather than the value of work put in place during the year. Although budget expenditures in a continuing program approximate the value of work put in place on federally owned projects, they include only the Federal portion of the cost of the State and local public works aided. Also, Federal expenditures do not reflect the substantial volume of private construction resulting from Federal incentives to industry and individuals.

Total Federal expenditures for public works are estimated at \$4.2 billion for each of the fiscal years 1955 and 1956, as compared with \$4.4 billion in 1954. Expenditures for national security public works are expected to increase slightly in 1956 over 1955, but will be materially below the level of 1954. In 1956, an increase in expenditures for military construction will more than offset a decrease in expenditures for atomic energy facilities. Civil public works expenditures are expected to decline slightly in 1956, but will be considerably larger than in 1954, due

primarily to the large volume of refinancing in 1954 of low-rent housing loans by private capital, and the consequent large repayments to the Government. Other major changes in the Federal civil public works programs in 1956 are an increase in grants to States for Federal-aid highways and a decrease in expenditures for natural resources development.

TABLE 1.—Total Federal public works expenditures

[In millions]

Type	1954 actual	1955 estimate	1956 estimate
Civil public works:			
Federally owned projects.....	\$1, 273	\$1, 177	\$977
Grants to State and local governments..	720	822	886
Loans to State and local governments (net).....	• 403	• 84	26
Total, civil public works.....	1, 591	1, 914	1, 889
National security public works:			
Military public works.....	1, 712	1, 430	1, 782
Atomic energy and other construction...	1, 092	834	511
Total, national security public works.....	2, 803	2, 263	2, 293
Total, all Federal public works.....	4, 394	4, 177	4, 182

• Deduct, excess of repayments over loans.

NOTE.—Totals may not add due to rounding.

In addition to expenditures for publicly owned civil and national security public works, an estimated \$343 million will be spent in 1956 for Federal assistance to construction activities of various semipublic bodies and private nonprofit groups, as well as some international agencies.

CIVIL PUBLIC WORKS

The term "civil public works" as used in this analysis includes all those public construction activities, financed or aided by the Federal Government, which are required for the civil functions of the Nation, as distinguished from those works required for our national security programs. Recommendations for civil public works expenditures in 1956 reflect the administration's continued objective of reducing budget expenditures to the minimum level consistent with Federal responsibilities. This is being accomplished by relying on private initiative to the fullest possible extent, by encouraging State and local interests to formulate plans and to undertake developments on their own responsibility, by sharing in the development of resources where national responsibilities are involved, and by undertaking as Federal developments those essential projects which are beyond the capacity of local initiative, public or private.

As examples of this policy, the Federal Government is acquiring needed post offices and other public buildings by the lease-purchase of privately constructed facilities. Private refinancing of Federal loans for low-rent public housing is resulting in returns to the Public Housing Administration of capital funds advanced to finance the low-rent public housing program. Also, Federal participation in a number of Federal-local partnership projects is proposed for the development of water resources in 1956, and some comprehensive developments are proposed for Federal undertaking. The substantial increase in the Federal-aid highway program authorized in the 1954 Federal-Aid Highway Act recognizes the need to relieve critical highway congestion which seriously affects the Nation's commerce.

Table 2 summarizes expenditures for civil public works for the fiscal years 1954, 1955, and 1956, by Federal agency.

TABLE 2.—Summary of expenditures for civil public works, by agency¹
[In millions]

Agency	1954 actual	1955 estimate	1956 estimate
Corps of Engineers.....	\$399.8	\$361.6	\$397.0
Tennessee Valley Authority.....	299.3	281.7	79.9
Department of the Interior:			
Bureau of Reclamation.....	163.3	132.4	152.3
Bonneville Power Administration.....	41.7	36.1	32.0
Office of Territories.....	29.3	42.9	30.4
Other Interior.....	39.5	49.7	58.8
Saint Lawrence Seaway Development Corporation.....		6.0	21.6
Bureau of Public Roads.....	559.3	630.5	699.1
Housing and Home Finance Agency:			
Low-rent public housing:			
Loans.....	525.6	454.2	482.6
Repayments.....	• 936.0	• 539.4	• 479.2
Defense housing and other (net).....	30.8	8.9	3.4
Department of Health, Education, and Welfare.....	179.7	201.5	162.8
Veterans Administration.....	54.3	40.0	56.3
Department of Agriculture.....	70.4	65.7	42.4
National Advisory Committee for Aeronautics.....	39.7	21.0	16.0
Civil Aeronautics Administration.....	17.5	14.2	19.5
Department of State.....	11.8	5.9	7.3
Treasury Department (gross).....	6.8	25.5	1.1
Repayment of loans.....		• 23.2	• 1.0
General Services Administration.....	9.7	21.8	24.6
Other.....	48.1	77.2	82.2
Total, civil public works.....	1,590.6	1,914.2	1,889.0

• Deduct.

¹ Nonconstruction costs excluded; proposed legislation included.

CONTINUING AND NEW WORK

Table 3 shows civil public works according to whether they are continuing or new, and indicates the amounts required after the fiscal year 1956 to complete the work programed in this budget.

Approximately 92 percent of the total expenditures for Federal civil public works in the fiscal year 1956 will be for projects and programs started in earlier years. Expenditures for continuation of this work in 1956 are estimated at \$1.7 billion, with \$6.7 billion required in later years to complete. Included in this continuing work are a number of large water resources projects which require several years to complete.

Expenditures for new projects and programs in 1956 are estimated at \$156 million, with \$2.5 billion required thereafter to complete. A total of 39 authorized water resources projects and 2 resummptions are recommended for starting in 1956 by the Bureau of Reclamation and the Corps of Engineers. Of these, 5 are irrigation or water supply projects of the Bureau of Reclamation. Included in the program of the Corps of Engineers are 10 new local flood protection projects and 1 resumption; 2 new flood control projects of broader scope; 14 new navigation projects and 1 resumption; and 8 beach erosion control projects. The budget also provides, under proposed legislation, for the Bureau of Reclamation to start the Upper Colorado River development in five Western States and the Fryingpan-Arkansas development in Colorado. In addition, funds are included under proposed legislation for Federal participation in 1956 in three State or local water resource projects, and it is contemplated that other partnership projects will be started as specific proposals are developed. A number of watershed protection projects will also be started in 1956, with Federal assistance under

the Watershed Protection and Flood Prevention Act enacted last year.

The Federal Aid Highway Act of 1954 provides for a substantially enlarged highway construction program in the fiscal years 1956 and 1957. Other projects to be started include three veterans' hospitals, for which funds are currently available, new research facilities for the National Advisory Committee for Aeronautics, and a new Federal building in Alaska.

TABLE 3.—Estimated cost of the 1956 civil public works program, by new and continuing work¹

[In millions]				
Program	Total estimated cost	Expenditures		
		Cumulative to June 30, 1955	1956 estimate	Required to complete
Continuing work:				
Direct Federal construction:				
Corps of Engineers.....	\$6,051.6	\$3,296.3	\$367.3	\$2,388.0
Bureau of Reclamation.....	3,603.8	2,380.9	134.3	1,088.6
Tennessee Valley Authority.....	1,133.3	1,048.2	67.2	17.9
Veterans' hospitals.....	958.8	840.9	50.1	67.8
Other.....	3,613.6	1,334.1	276.3	2,003.2
Total, direct Federal construction.....	15,361.1	8,900.4	895.2	5,565.5
Grants:				
Federal-aid highways.....	2,238.3	588.7	667.4	982.2
Grants for hospitals.....	255.7	205.3	33.0	17.4
Grants for schools.....	525.0	403.3	82.6	39.1
Airport and other grants.....	355.3	178.5	44.8	132.0
Total, grants.....	3,374.3	1,375.8	827.8	1,170.7
Total, continuing work.....	18,735.4	10,276.2	1,723.0	6,736.2
New projects, features, and commitments in 1956:				
Direct Federal construction:				
Corps of Engineers.....	314.0	9.2	19.5	285.3
Bureau of Reclamation.....	33.5		3.0	30.5
Upper Colorado River and Fryingpan-Arkansas (proposed).....	1,095.9		5.0	1,090.9
Bonneville Power Administration.....	21.0	.4	1.4	19.2
Veterans' hospitals.....	18.4		6.2	12.2
Air navigation facilities.....	23.0		5.0	18.0
Tennessee Valley Authority.....	27.4	.2	12.7	14.5
Other.....	73.6	.1	29.0	44.5
Total, direct Federal construction.....	1,606.8	9.9	81.8	1,515.1
Grants:				
Federal-aid highways.....	861.7			861.7
Grants for hospitals.....	88.0		22.0	66.0
Grants for schools.....	17.3		11.1	6.2
Corps of Engineers: Partnership projects (proposed).....	10.0		10.0	
Bureau of Reclamation: Partnership projects (proposed).....	10.0		10.0	
Other.....	15.8		4.8	11.0
Total, grants.....	1,002.8		57.9	944.9
Total, new projects, features, and commitments in 1956.....	2,609.6	9.9	139.7	2,460.0
Total, direct Federal construction and grants.....	21,345.0	10,286.1	1,862.7	9,196.2
Continuing loan programs:				
Low rent housing:				
Gross.....			482.6	
Repayments.....			• 479.2	
Other continuing (net).....			7.0	
Total, continuing loans.....			10.4	
New loan commitments:				
Advance planning of State and local public works.....			3.2	
District of Columbia public works and other.....			12.6	
Total, new loans.....			15.8	
Total, civil public works (net).....			1,889.0	

• Deduct.

¹ Nonconstruction costs excluded.

NOTE.—Totals may not add because of rounding.

INVESTIGATIONS AND STATUS OF PLANNED AND AUTHORIZED PROJECTS

Efficient and economical design and construction of public works require adequate basic data and surveys and careful preparation of plans for these facilities prior to construction. Effective use of public works for counter-cyclical purposes also requires that they be planned well in advance so as to be available for undertaking when economic conditions and budgetary policy warrant. Construction expenditures in this analysis do not include costs of basic data collection and preliminary surveys; however, they do include detailed project planning costs.

Basic data.—The programs for collection of basic data, designed to meet a wide variety of nationally important needs, provide data for use in the preliminary planning and investigation of Federal and other construction projects. A total of \$45 million is recommended in the fiscal year 1956 for general coverage data collection, including geodetic surveys and topographic mapping, geologic and soil surveys, and assembly of hydrologic and climatologic data.

Preliminary surveys.—Careful preliminary investigation to determine engineering and economic feasibility is required to produce well-conceived construction projects. Inadequate examination of the factors involved in project formulation before authorization may result in approval of projects having questionable justification or in seriously underestimating project costs. Appropriations and allotments totaling \$10 million are recommended for the fiscal year 1956 for preliminary investigations of river basin and other construction programs. In addition, \$1 million is included under proposed legislation for a survey to determine whether hydroelectric power can be economically developed from the tides of Passamaquoddy Bay.

The comprehensive interagency surveys of the Arkansas-White and Red River Basins and the New England-New York area, authorized by the 1950 Flood Control Act, are expected to be completed by June 30, 1955, except for the final processing of the survey reports.

Detailed planning.—Preparation of project plans in advance of construction provides for orderly programing of project construction and may prevent expensive changes in project designs during the construction period. Such planning also provides an opportunity to verify the economic feasibility and the relative merits of projects as well as the estimated costs, before construction is started. Funds for advance preparation of plans in the fiscal year 1956 are estimated at \$13 million. This total includes \$7 million to enable the Corps of Engineers and the Bureau of Reclamation to plan a limited number of high-priority projects already authorized by the Congress. In addition, a substantial amount of planning is carried on as construction progresses on large water resources projects.

The budget also provides \$8.5 million for the Housing and Home Finance Agency for the purpose of advancing funds to State and local agencies to assist in the advance planning of their public works. This amount represents the remainder of the authorization provided in the Housing Act of 1954.

Authorized reserve.—An adequate authorized reserve of soundly conceived projects is necessary to permit a wise selection of projects for starting in accordance with

program needs and economic and budgetary requirements. Agency reports indicate that, on the basis of present costs, \$10.5 billion of work has been authorized, either by general or specific legislation, and is scheduled in the agencies' advance programs. About \$8 billion of this authorized work is included in the river basin programs of the Corps of Engineers and the Bureau of Reclamation.

TABLE 4.—Reserve of authorized projects and programs after fiscal year 1956, by agency

	Total cost of projects (billions)
Projects authorized by specific legislation:	
Corps of Engineers.....	\$5.9
Bureau of Reclamation.....	2.1
Other agencies.....	.6
Projects or programs considered to be authorized by general legislation:	
Civil Aeronautics Administration.....	.4
Forest Service.....	.3
National Park Service.....	.3
Fish and Wildlife Service.....	.2
Other agencies.....	.7
Total.....	10.5

Planned projects.—By the end of fiscal year 1955, Federal agencies will have an estimated \$1 billion of authorized Federal projects planned to a stage where construction could be started, and advance planning in various stages of completion on an additional \$3.4 billion. Comparable totals for 1956 are estimated at \$1.9 billion and \$3.7 billion, respectively. Most of this planned reserve consists of water resources projects. By the end of 1956, the Corps of Engineers will have completed planning on about \$858 million of work, and the Bureau of Reclamation about \$297 million. In addition, the Corps of Engineers will have planning in process on another \$2.2 billion of work, and the Bureau of Reclamation will have planning underway on \$893 million of work. Also, a substantial amount of planning has been done by State and local agencies on highways, airports, and hospitals for which Federal grants are authorized.

PROGRAMS BY MAJOR FUNCTION AND TYPE OF FACILITY

Civil public works expenditures are listed in table 5 according to the major functions used in this budget for the classification of Federal programs, with subclassifications according to the type of facility involved. Most functions require some public works. In some cases, expenditures for such works represent only a small part of the total cost of the functional program. For example, expenditures in 1956 for construction under the agriculture function are estimated to be \$21 million out of a total for the function of \$2.3 billion. In contrast, about two-thirds of the expenditures under the natural resources function are for various types of construction. About 83 percent of the civil public works expenditures in 1956 will be for two major functions—natural resources and commerce and manpower.

The type of financial assistance to non-Federal interests for civil public works also varies among the functions. For example, the national interest in highway and air transportation is furthered by grants to State and local governments for highway and airport construction. On the other hand, low-rent housing construction is financed by loans to local public housing authorities.

TABLE 5.—Federal civil public works expenditures by major function and type of facility¹

(In millions)

Major function and type of facility	1954 actual	1955 estimate	1956 estimate
Veterans' services and benefits.....	\$57.8	\$44.7	\$62.0
Veterans' hospitals and other facilities..	54.3	40.0	56.3
Cemeteries and memorials.....	3.5	4.7	5.7
International affairs and finance.....	11.9	6.8	7.4
Radio facilities.....	6.5	4.3	2.4
Foreign service buildings.....	5.4	2.5	5.0
Welfare, health, and education.....	180.5	206.7	176.3
Social security, welfare and health.....	64.9	59.4	73.8
Hospitals and health centers.....	54.1	53.4	67.6
Medical and public health research facilities.....	9.6	4.9	4.8
Federal prison facilities.....	1.2	1.1	1.4
Education and general research.....	115.6	147.3	102.5
Schools.....	113.0	146.7	102.0
Research facilities.....	2.6	.6	.5
Agriculture and agricultural resources....	50.8	45.4	21.3
Grain storage facilities.....	42.9	26.5	1.5
Research facilities.....	.5	5.0	4.8
Watershed protection facilities.....	7.4	13.9	15.0
Natural resources.....	936.1	840.2	670.9
Water resources and related develop- ments for irrigation, flood control, navigation and power.....	882.8	775.8	593.7
Forest roads and other structures.....	21.0	23.7	24.7
Roads, buildings and utilities on Indian lands.....	14.1	14.9	19.6
Mineral and other research facilities.....	3.0	4.6	2.4
Fish hatcheries and wildlife refuges.....	2.2	4.0	2.0
Parkways, roads and utilities in national parks.....	13.0	17.2	28.5
Commerce and manpower.....	340.4	735.3	900.7
Housing and community development....	* 365.5	* 65.7	16.0
Community facilities (net).....	14.7	* 10.1	2.3
Low-rent public housing:			
Loans.....	525.6	454.2	482.6
Repayments.....	* 936.0	* 539.4	* 479.2
Defense housing.....	21.3	7.1	(*)
Public works in Alaska and Virgin Islands.....	8.9	22.5	10.3
Transportation and communication.....	695.3	760.0	872.6
Water navigation aids and facilities....	45.5	62.4	102.4
Federal-aid highways.....	519.7	588.7	667.4
Forest highways and other road con- struction.....	52.3	54.8	42.0
Airports.....	18.6	14.9	20.0
Air-navigation facilities.....	12.0	11.0	15.0
Aeronautical and other research facil- ities.....	39.7	21.5	16.2
Alaska Railroad.....	7.5	6.7	9.6
Finance, commerce, and industry:			
Nickel and synthetic rubber facilities.....	10.6	41.0	12.0
General government: Government build- ings and facilities.....	13.2	35.1	50.5
Total, civil public works.....	1,590.6	1,914.2	1,889.0

*Less than \$50,000.

° Deduct.

¹ Nonconstruction costs excluded; proposed legislation included.

NATURAL RESOURCES

The natural resources programs include the multiple-purpose control and development of rivers and streams for flood control, irrigation, hydroelectric power, municipal water supply and other purposes, and the conservation and development of land, forest, mineral, recreational, and fish and wildlife resources. Expenditures for these purposes will amount to \$671 million in 1956, compared with \$840 million in 1955. By far the largest proportion of these expenditures are for water resources developments.

Corps of Engineers.—The water resources program of the Corps of Engineers is nationwide in scope, except for the Tennessee Valley area. It involves the construction of multiple-purpose storage reservoirs for flood control,

hydroelectric power and related purposes; the construction of protecting levees and flood walls; the improvement of channels; and beach erosion control works. Navigation projects of the Corps of Engineers are discussed in this analysis under the commerce and manpower section.

In 1956, construction will be continued on 20 multiple-purpose projects and on 72 predominantly flood-control projects. The multiple-purpose projects are widely distributed throughout the country. For flood control, emphasis will continue on protective works on the Mississippi River and its principal tributaries, particularly the Missouri. Large flood-control projects are also underway in the Los Angeles and Central Valley areas of California and in central and southern Florida. Twenty-five flood-control projects now underway will be substantially completed in 1956.

Ten new local flood protection projects, which will provide benefits primarily to urban and industrial areas, are recommended for starting in 1956. Resumption of work is also proposed on one local protection project. Five of the new local protection projects will be completed in 1956. The Eagle Gorge flood control reservoir project in the State of Washington, on which there will be substantial local contributions, and a major new feature of the lower Mississippi River flood control project to prevent diversion of the Mississippi into the Atchafalaya River and to protect very large existing investments, are also included in this budget.

Beach erosion control activities of the Corps of Engineers are limited to Federal participation in the cost of the protection and improvement of shores and beaches owned by States, municipalities, or other political subdivisions. The proposed 1956 appropriation for the Corps of Engineers will reimburse local interests for the Federal share of work accomplished through 1956 on eight projects.

Bureau of Reclamation.—The Bureau's program for development of water resources for irrigation and other purposes in the 17 Western States consists primarily of continuation of construction on 52 irrigation and power projects, including 22 units of the Missouri River Basin program. Six of these projects will be completed during the fiscal year 1956. Rehabilitation work on 8 reclamation projects constructed in prior years is also scheduled for the 1956 program. About two-thirds of the recommended funds will be for 9 major developments as follows: Central Valley and Solano projects in California, Columbia Basin in Washington, Palisades in Idaho, Weber Basin in Utah, Lower Marias in Montana, Bostwick division in Nebraska-Kansas, Glendo unit in Wyoming, and additions to the electric power transmission system in the Missouri River Basin.

Bureau of Reclamation facilities scheduled for completion in 1956 will provide full water supply for 126,900 new acres and supplemental water supply for 125,100 acres of presently irrigated lands.

The 1956 budget provides funds for starting five authorized irrigation and water supply projects by the Bureau of Reclamation. In the selection of these projects, consideration was given to more efficient utilization of available water supplies and to the proportion of the irrigation investment to be repaid by water users. In addition, funds are recommended under proposed legislation for the initiation of work on the Upper Colorado River Basin development and the Fryngpan-Arkansas development. The development of the Upper Colorado River Basin in the States of Arizona, Colorado, New Mexico, Utah, and Wyoming will assure the availability of water and power necessary for the economic growth of the region. The Fryngpan-Arkansas development in Colorado will divert

water from the Colorado River Basin to the Arkansas River Basin to augment existing water supplies. Total cost of these two major developments is estimated at \$1.1 billion, with first-year expenditures of \$5 million.

International Boundary and Water Commission.—The Commission participates with a similar agency of Mexico in the construction of water conservation and control facilities on the Rio Grande River. The 1956 program of the Commission consists of completion of construction on Falcon Dam and continuation of construction of Anzalduas Dam to be started in 1955. Total 1956 expenditures are estimated at \$2.3 million.

Tennessee Valley Authority.—The water resources development program of the Authority is generally similar to the Corps of Engineers except that it is confined to the Tennessee River Basin. The agency also has a number of steam-electric generating stations with necessary distribution facilities, both completed and under construction, to assist in supplying the needs of consumers, including the Atomic Energy Commission, in the TVA power area. The 1956 program of the Authority provides for completion of 6 steam-electric and 2 hydroelectric generating units and construction of important additions to the transmission system. Budget expenditures for these public works are estimated at \$80 million.

Summary of Federal electric power activities.—A large part of the construction under Federal water resource development programs includes provisions for generation of electric power. This power is produced by hydroelectric facilities included in multiple-purpose reservoir projects such as those constructed by the Corps of Engineers, Bureau of Reclamation and the Tennessee Valley Authority. In addition, the TVA has in operation and under construction steam-electric generating plants.

Generating capacity installed by Federal agencies now amounts to 14.07 million kilowatts, or about 14 percent of the total capacity of the class 1 utility systems in the United States. An additional 5 million kilowatts of capacity is scheduled for completion during the calendar years 1955 and 1956, which will bring the total Federal capacity to 19.07 million kilowatts. When all projects now under construction are completed, total capacity will be about 21.51 million kilowatts.

TABLE 6.—Federal electric power generation presently scheduled (name-plate capacity)

[Million kilowatts]

Agency	Dec. 31, 1954	Total scheduled
Corps of Engineers.....	2.91	6.73
Bureau of Reclamation.....	4.75	5.26
Tennessee Valley Authority.....	6.35	9.46
International Boundary and Water Commission.....	.06	.06
Total.....	14.07	21.51

In the fiscal year 1956 additional transmission lines required for the integration and marketing of federally produced power will be constructed by the Bonneville Power Administration, the Bureau of Reclamation and the Tennessee Valley Authority. A total of 1,230 miles of transmission lines will be added to existing Federal systems during that year, bringing the total in operation to about 26,900 miles.

Federal participation in partnership water resources projects.—In line with the administration's policy of participating with non-Federal interests in the development of water resources where national interests are involved, this budget includes \$20 million under proposed

legislation to enable the Bureau of Reclamation and the Corps of Engineers to participate in such cooperative projects. For example, it is expected that local interests will finance the power facilities for the Cougar and Green Peter-White Bridge projects in Oregon and the Rocky Reach project in Washington, and that the Federal Government will construct or finance the nonpower facilities such as flood control. Assistance will be given to other partnership projects as specific proposals are developed. In addition, provision will be made for cooperation in authorized partnership projects, such as Priest Rapids in Washington and Markham Ferry in Oklahoma, when satisfactory arrangements have been completed.

Summary of water resources and related development.—While the major part of water resources development is classified under the natural resources function, other water resource developments are carried out under programs for agriculture and agricultural resources and commerce and manpower. Expenditures for all of these water resources and related developments are brought together in table 7.

TABLE 7.—Expenditures for water resources and related development ¹
[In millions]

Type	Functional code No.	1954 actual	1955 estimate	1956 estimate
Predominantly single-purpose projects:				
Flood control works:				
Bureau of Reclamation.....	401	\$8.6	\$9.4	\$6.3
Corps of Engineers.....	401	95.7	98.4	119.4
Department of Agriculture.....	354	6.9	13.4	14.6
International Boundary and Water Commission.....	401		0.4	1.0
Total, flood control works.....		111.2	121.6	141.3
Beach erosion control: Corps of Engineers.....	401			2.4
Irrigation and water conservation works:				
Bureau of Reclamation.....	401	75.6	72.9	87.8
Department of Agriculture.....	354	.4	.4	.4
Bureau of Indian Affairs.....	401	3.0	4.0	2.0
Total, irrigation works.....		79.0	77.3	90.2
Navigation facilities:				
Corps of Engineers.....	452	33.0	45.0	72.0
Saint Lawrence Seaway Development Corporation.....	452		6.0	21.6
Total, predominantly single-purpose projects.....		223.2	249.9	327.5
Multiple-purpose dams and reservoirs with hydroelectric power facilities:				
Tennessee Valley Authority.....	401	8.1	8.5	1.7
Bureau of Reclamation.....	401	54.1	34.2	30.6
Partnership projects.....	401			10.0
Corps of Engineers.....	401	271.1	218.2	193.2
Partnership projects.....	401			10.0
International Boundary and Water Commission.....	401	5.9	2.9	1.3
Total, multiple-purpose facilities.....		339.2	263.8	246.8
Steam-electric powerplants: Tennessee Valley Authority.....	401	238.4	226.5	43.9
Power transmission facilities:				
Tennessee Valley Authority.....	401	47.5	41.2	31.4
Bureau of Reclamation.....	401	25.0	15.8	17.6
Bonneville Power Administration.....	401	41.7	36.1	32.0
Southeastern Power Administration.....	401	(*)	(*)	
Southwestern Power Administration.....	401	2.8	1.6	.4
Total, power transmission facilities.....		117.0	94.7	81.4
Total, water resources and related development.....		917.8	834.9	699.6

*Less than \$50,000.

¹ Nonconstruction costs excluded; proposed legislation included.

Other natural resources programs.—Expenditures for other public works programs under the natural resources function will amount to \$77 million in the fiscal year 1956, as compared with \$64 million in 1955. Work under these programs includes construction of roads and trails in the national forests, national parks and on other public lands, and continuation of work on 6 national parkways. Provision is also made for the construction of buildings, utilities, and other facilities to help accommodate the increasing number of visitors at the 180 national park, monument and other areas. Construction by the Bureau of Indian Affairs includes work on almost 500 miles of roads and trails, on irrigation systems, and on buildings and utilities needed principally for the Indian educational program. Fish hatchery and other construction will be undertaken by the Fish and Wildlife Service, and the Bureau of Mines will continue construction of helium production facilities.

COMMERCE AND MANPOWER

The public works activities under this function include various transportation facilities, housing and community development, and construction of defense related industrial production facilities. Transportation facilities constructed or financed by the Federal Government include highways and roads, air and water navigation aids and facilities, and the Alaska Railroad. Expenditures for transportation facilities, amounting to \$873 million, account for 46 percent of the expenditures for civil public works in 1956.

Public roads.—The Bureau of Public Roads administers a program of grants to States to aid in the construction of highways, and also constructs highways in the national forests and other public lands. The 1954 act provides \$875 million in new contract authority for the Federal-aid highway program for each of the fiscal years 1956 and 1957, as compared with \$575 million for each of the years 1954 and 1955. Expenditures under this program are estimated at \$667 million in 1956, and, under the new authorizations, will continue to increase in later years. The Federal-aid highway systems now have a combined total length of about 698,000 miles. Other highway and road expenditures by this agency will provide in 1955 and 1956 for construction and improvement of some 1,000 miles of forest highways.

Water navigation aids and facilities.—The largest expenditures in this area are by the Corps of Engineers. Navigation projects of the Corps of Engineers include improvement of channels and harbors, construction of locks, dams, canals, and alteration of obstructive bridges, as well as navigation features of some multiple-purpose projects. In 1956, construction will be continued on 26 navigation projects, including 6 channel and harbor projects and 2 lock and dam projects which will be substantially completed in that year. Construction will be initiated on 14 new navigation projects and resumed on 1 project. The new projects include alteration of three obstructive bridges, widening of the Calumet-Sag Waterway in Illinois to accommodate the steadily increasing traffic, and dredging of the Delaware River channel between Philadelphia and Trenton, contingent upon completion of arrangements for adequate cost sharing in some form.

The Saint Lawrence Seaway Development Corporation is constructing that part of the Saint Lawrence Seaway

which is in United States territory. Related navigation improvements will be built by Canada, and the power development of the Saint Lawrence River will be constructed by the State of New York and the Province of Ontario. Estimated Federal expenditures in 1956 on construction of the seaway amount to \$22 million.

Other work in this category includes provision of navigation aids by the United States Coast Guard and transportation facilities by the Panama Canal Company. This Company will continue work on projects to increase the capacity of the Panama Canal and to convert electric generating and lock operating equipment from 25- to 60-cycle electric current.

Airports and air navigation and research facilities.—With the virtual completion of the \$75 million wind tunnel in 1955, expenditures on research facilities by the National Advisory Committee for Aeronautics are expected to decrease to \$16 million in 1956. New projects proposed for starting in the 1956 budget include special facilities for the investigation of nuclear propulsion problems and high-speed phenomena, as well as a number of improvements of existing facilities at the Committee's Langley, Ames, and Lewis laboratories. The total cost of these new facilities will be \$13 million.

Grants-in-aid for construction of airports, and installation of air navigation facilities to implement the common civil-military Federal airway systems, administered by the Civil Aeronautics Administration, will require \$35 million in 1956.

Other transportation facilities.—The Office of Territories will continue construction in 1956 on roads in Alaska and on the Alaska Railroad, and will spend \$19 million for these purposes.

Housing and community facilities.—The Federal Government encourages the construction of low-rent public housing units through loans to local housing authorities. The 1956 budget provides for starting construction of 35,000 units. In addition, it is estimated that 25,000 units will be completed in that year. Other expenditures consist largely of payments on grant commitments for defense community facilities, loans for public facilities and provision of public works in Alaska.

Funds are also provided, under the Housing Act of 1954, for grants to municipalities to assist in community planning and for advances to State and local agencies for preparation of project plans.

Finance, commerce, and industry.—The Government-owned nickel plant at Nicaro, Cuba, is being expanded from 14,000 to 24,500 tons annual capacity of nickel production at a cost of \$43 million, and will be completed by the end of fiscal 1956. Contracts have already been executed by General Services Administration.

VETERANS' SERVICES AND BENEFITS

During the fiscal year 1956 work will continue on the construction program for Veterans Administration hospitals authorized in 1947 and subsequent years. This program consists of 78 hospital projects to provide 38,420 beds, 12 projects for conversion of bed facilities at existing hospitals to accommodate other types of patients, a new regional office on a hospital site, and major alteration and renovation of existing hospitals and homes. Sixty-nine hospital projects and 10 conversion projects have been

completed. Five hospitals will be under construction in 1956, including three to be started during the year with funds provided in previous years. The 3 hospital starts are the new 1,000-bed hospitals at San Francisco, Calif., and Cleveland, Ohio, and a 680-bed addition to replace temporary construction at Long Beach, Calif.

Other activities under this function include work by the Quartermaster General of the Army to maintain existing monuments and cemeteries and to provide additional grave sites, and construction by the American Battle Monuments Commission on 14 cemeteries in foreign countries.

INTERNATIONAL AFFAIRS AND FINANCE

Public works activities under this function provide for the construction of office buildings for the United States Government abroad, for living quarters where necessary, and for radio facilities of the United States Information Agency.

WELFARE, HEALTH, AND EDUCATION

Health facilities.—The program of the Department of Health, Education, and Welfare for sharing in the costs of constructing non-Federal general hospitals and public health centers was expanded through legislation enacted in 1954 to include medical diagnostic and treatment centers, rehabilitation facilities, nursing homes and chronic disease hospitals. Only the grants made to public agencies are included in the public works section of this analysis; those for private nonprofit facilities are shown in table 8. Expenditures in 1956 for grants will amount to \$29 million for general hospitals and public health centers and \$26 million for other medical facilities. Total Federal assistance under these programs will have amounted to \$456 million by the end of 1956 for facilities costing about \$1.3 billion.

During 1954 responsibility for medical care and treatment of the Indian population was transferred to the Department of Health, Education, and Welfare. In fiscal year 1956, about \$3 million will be spent on construction of additional medical and related facilities for the Indians.

The 1956 construction program for St. Elizabeths Hospital, Washington, D. C., includes completion of a new treatment building, a chapel, and major repair and rehabilitation work.

Education and research facilities.—Federal grants are made for school construction in defense areas and in districts burdened by Federal activities. These grants constitute the major part of public works expenditures for education, and are estimated at \$94 million in 1956, compared with \$134 million in 1955.

Construction of research facilities in 1956 will include completion of the radio laboratory building for the National Bureau of Standards at Boulder, Colo., and continuation of construction of a new geomagnetic observatory at Fredericksburg, Va., for the Coast and Geodetic Survey.

Prison facilities.—The Federal Prison System will continue construction in 1956 of the farm building program at 14 institutions, and the general rehabilitation and extension of facilities throughout the service. Other construction, by Federal Prison Industries, Incorporated, will provide maximum employment and training opportunities for prisoners.

AGRICULTURE AND AGRICULTURAL RESOURCES

The Department of Agriculture will continue the program of upstream conservation and flood-prevention work, including construction of diversion ditches, floodways, and floodwater-retarding structures in 11 watershed areas, authorized under the 1936 Flood Control Act, and in a number of small pilot watershed treatment areas for which funds were first appropriated for 1954. An increase in funds is provided for the program started in 1955 under the new Watershed Protection and Flood Prevention Act. Under this act the Department cooperates with States and local groups in installing works of improvement in small watersheds to prevent damages from soil erosion, floodwater, and sedimentation, and to further the conservation, development, utilization, and disposal of water. Total expenditures on works of improvement under these three programs will amount to \$15 million in 1956.

Other construction work by the Department of Agriculture in 1956 includes completion of the Plum Island Animal Disease Laboratory in New York State, and completion of construction of grain storage facilities.

GENERAL GOVERNMENT

Public works classified under this function include the administrative buildings required to carry on the Government's business. The 1956 program of the General Services Administration, which constructs most of these facilities, contemplates the completion of various court facilities; a Federal supply and records building, Kansas City, Mo.; and work on two post offices in Chicago, Ill. Construction will be started on a new post office and court house at Nome, Alaska. The program also proposes the completion of acquisition of sites for which commitments have been made in prior years. Included also is a program of major replacements and improvements, both outside and inside the District of Columbia. In addition to the foregoing programs, the Congress, in 1954, provided authority to acquire needed Federal public buildings by means of lease-purchase agreements. This program is discussed in a later section on "Other Federal activities in construction."

Other direct Federal construction in this category includes work by the Weather Bureau on facilities at Cape Hatteras, N. C., and Canton Island in the Pacific Ocean.

In addition, the Federal Government provides assistance, through grants and loans, for construction of facilities in the Territories and the District of Columbia. The Office of Territories will assist in major repairs and rehabilitation of hospital facilities in Samoa, and rehabilitation or construction of schools, hospitals, powerplants and various other facilities in the Pacific Islands Trust Territory.

NATIONAL SECURITY CONSTRUCTION

Department of Defense, military public works.—The military public works program includes both overseas and domestic operational, tactical, logistical, training, and testing facilities for the Air Force, Army, and Navy. Additional facilities are also being constructed for the civilian components reserves and the National Guard. Construction of housing and operational buildings for the Alaska communications system is continuing. In fiscal years 1955 and 1956, emphasis will be placed on the further development of those Navy airfields used for training and for operation of jet aircraft.

The provision of shore facilities to serve the large type aircraft carriers now under construction will be continued.

The Air Force will expand the aircraft control and warning system, and will continue the construction of additional continental air defense bases. The Army will concentrate on the completion of antiaircraft guided missile facilities, new overseas troop bases, and modernization of its existing troop bases at home. Expenditures for the above purposes are estimated at \$1.4 billion in fiscal year 1955, and \$1.8 billion in fiscal year 1956.

Atomic Energy Commission.—Expenditures by the Atomic Energy Commission for construction in 1956 will be chiefly for the large production plants started in prior years, but will be substantially less than in 1955 and 1954 as these plants approach completion. Work will continue also on the atomic power reactor at Shippingport, Pa., the very large particle accelerator at Brookhaven National Laboratory and other research and development facilities. New projects proposed for 1956 will include improvements to existing production plants, several prototype or developmental atomic reactors with associated facilities, a medical research center, additional weapons storage facilities, and some residential housing and community construction. No new obligational authority is required because existing unobligated balances are adequate to cover anticipated 1956 requirements.

OTHER FEDERAL ACTIVITIES IN CONSTRUCTION

In addition to publicly owned civil and national security public works, there are other types of Federal activities, involving loans, loan guaranties, grants, or direct Federal expenditures, which affect construction. The distinguishing feature of these expenditures is that they contribute principally to the physical assets of international public bodies, of semipublic and private groups, or of individuals, whereas public works are limited both in the foregoing sections of this analysis and in special analysis D, "Investment, operating and other budget expenditures," to additions to Federal, State, and local governmental physical assets.

INTERNATIONAL AND SEMIPUBLIC WORKS

One important group of these programs consists of Federal assistance for international public works and semipublic works programs, shown in table 8.

TABLE 8.—Federal expenditures for international and semipublic works (not including civil public works)

[In millions]			
Program	1954 actual	1955 estimate	1956 estimate
Rama Road, Nicaragua.....	(*)	\$1.0	\$3.0
Inter-American Highway.....	\$2.7	4.6	5.8
The Philippines, grants for veterans' hospital construction.....	4.5	7.1	3.3
Grants for nonpublic hospital construction.....	40.5	36.1	45.0
Grants for hospital facilities in the District of Columbia.....	.5	1.7	.8
Rural Electrification Administration loans, gross.....	210.0	210.0	225.0
Loans to educational institutions, gross.....	34.9	40.8	28.2
Howard University, construction.....	1.7	5.0	7.0
Gallaudet College.....	(*)	.1	.6
Federal old-age and survivors insurance building (trust funds).....	.1	.8	22.8
United States Soldiers' Home (trust funds).....	4.4	1.7	1.1
Total.....	299.3	308.9	342.6

*Less than \$50,000.

As part of our international responsibilities, the United States is helping to construct inter-American highways in Costa Rica and Nicaragua and to build hospitals in the Philippines for the veterans. Table 8 does not indicate

the assistance given under the NATO and mutual security programs for the construction of facilities needed in the common defense.

The largest expenditures for semipublic works programs are those of the Rural Electrification Administration. This agency makes loans primarily to rural cooperatives to finance electrification facilities and rural telephones. Electrification loans approved through the calendar year 1954 total \$2.9 billion. Approximately 92 percent of the farms in the United States now have central station electric service and the electrification program of this agency is, therefore, largely concerned with financing additional generating facilities and heavier distribution systems, required by increased customer demands. The telephone loan program was initiated in 1950 when only 38 percent of farms had telephones. About 460,000 subscribers will be provided with modern telephone service under approved loans now totaling \$209 million.

Grants are made to States for construction of both public and privately owned hospital and other medical facilities. This program was expanded in 1954 to include nurses' homes, chronic disease hospitals, diagnostic clinics and other facilities. The grants for public facilities are classified as public works and are discussed elsewhere in this analysis. Grants for private facilities, most of them operated on a nonprofit basis, represent about 45 percent of total medical facilities grants and will amount to \$45 million in 1956.

Under proposed legislation, the Federal Government will, in 1956, also encourage construction of more adequate medical facilities through the guarantee of private loans for such construction.

The Housing and Home Finance agency assists colleges and universities in arranging for the private financing of dormitory facilities, and provides loans for the construction of facilities in those instances where private financing is not available. Gross loans in 1956 are expected to amount to \$32 million.

The Bureau of Old Age and Survivors Insurance will start construction in 1956 on a new building to house its central operations, to cost about \$23 million. This building will be financed from the Federal Old Age and Survivors Insurance Trust Funds.

AIDS FOR PRIVATE CONSTRUCTION

Another group of Federal programs, consisting of loans, loan guaranties, tax concessions, and occasionally, grants, direct aid, and other incentives, stimulates construction by farmers, homeowners, and businesses. This construction adds up to an important segment of the Nation's total construction.

In the field of housing, the Federal Housing Administration and the Veterans Administration operate programs for the insurance or guarantee of mortgages on private homes, under which substantial amounts of private housing are financed. In 1956, increased private investment in housing will be encouraged through more liberal mortgage insurance, and the Federal Housing Administration will also insure mortgages on new and rehabilitated houses in urban blighted areas and on low-cost housing for families displaced by slum clearance.

The Farmers' Home Administration makes direct loans for farmhouses, buildings, and water facilities, and insures private loans for these purposes. The Department of Agriculture's program for watershed protection and flood prevention encourages construction of water-control structures on farmers' lands. The Commodity Credit

Corporation makes loans for the construction or expansion of grain-storage facilities and provides storage-use guaranties to encourage commercial construction of such facilities.

The Congress, in 1954, provided authority to acquire needed Federal public buildings by means of lease-purchase agreements with private interests, rather than by direct Federal construction. Expenditures for planning and sites will amount to \$3 million in 1956. Under this program the Federal Government will contract with private interests to construct needed new Government buildings, to remodel existing Government buildings, or to buy existing private buildings, with payments extending over a period of 10 to 25 years. At the end of the period the Federal Government will own the buildings.

Summary of Federal expenditures for public works according to categories used in special analysis D. "Investment, operating, and other budget expenditures"

Public works listed under—	1954 actual	1955 estimate	1956 estimate
Additions to Federal assets:			
Loans to State and local governments (net).....	\$402	\$84	\$27
Public works—sites and direct construction:			
Civil.....	1,273	1,177	977
National security.....	2,803	2,263	2,293
Expenditures for other developmental purposes: State and local physical assets: Grants-in-aid.....	720	822	886
Total public works.....	4,394	4,177	4,182

* Deduct, excess of repayments over loans.

BUDGET AUTHORIZATIONS AND EXPENDITURES FOR CIVIL PUBLIC WORKS¹

BY MAJOR FUNCTION AND AGENCY

Function, organization unit, and program	Functional code No.	NEW AUTHORIZATIONS			EXPENDITURES		
		1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
VETERANS' SERVICES AND BENEFITS							
Veterans Administration:							
Hospital and domiciliary facilities including alterations.....	105	\$17,500,000	\$50,480,000	\$17,715,000	\$54,160,518	\$40,012,411	\$56,337,475
Administrative facilities.....	106				101,104	1,968	
Total, Veterans Administration.....		17,500,000	50,480,000	17,715,000	54,261,622	40,014,379	56,337,475
American Battle Monuments Commission: Memorials and cemeteries on foreign battlegrounds.....							
	106	8,500,000	3,500,000	4,500,000	3,461,097	4,500,000	5,000,000
Department of Defense—Civil Functions: Department of the Army: Cemeteries.....							
	106	196,344	440,000	719,000	117,090	180,000	640,000
Total, veterans' services and benefits.....		26,196,344	54,420,000	22,934,000	57,839,809	44,694,379	61,977,475
INTERNATIONAL AFFAIRS AND FINANCE							
United States Information Agency: Radio facilities.....							
	153				5,983,000	4,282,000	2,430,000
Department of State:							
Foreign Service buildings.....	151	3,116,000	2,025,000	5,600,000	5,394,522	2,537,000	5,000,000
Radio facilities.....	153				500,000		
Total, Department of State.....		3,116,000	2,025,000	5,600,000	5,894,522	2,537,000	5,000,000
Total, international affairs and finance.....		3,116,000	2,025,000	5,600,000	11,877,522	6,819,000	7,430,000
WELFARE, HEALTH, AND EDUCATION							
SOCIAL SECURITY, WELFARE, AND HEALTH							
General Services Administration: Hospital facilities in the District of Columbia:							
Loans.....	206			805,000	828,815	3,925,000	6,150,000
Direct work.....	206				321,150	2,250,000	5,350,000
Total, General Services Administration.....				805,000	1,149,965	6,175,000	11,500,000
Department of Health, Education, and Welfare:							
Public Health Service:							
Federal research facilities.....	206				8,448,871	4,612,788	2,000,000
Grants for public hospital construction.....	206	35,750,000	52,800,000	68,750,000	49,455,292	44,094,155	55,000,000
Grants for medical research facilities.....	206				1,106,938		
Indian health facilities.....	203			4,550,000			2,700,000
Sanitary engineering activities.....	206		270,000			250,000	20,000
Total, Public Health Service.....		35,750,000	53,070,000	73,300,000	59,011,101	48,956,943	59,720,000
Saint Elizabeths Hospital: Hospital buildings.....	206	399,500	819,000	869,000	3,485,272	3,154,068	1,126,804
Total, Department of Health, Education, and Welfare.....		36,149,500	53,889,000	74,169,000	62,496,373	52,111,011	60,846,804

¹ Budget authorizations consist of appropriations, reappropriations, contract authorizations, and authorizations to spend from public debt receipts. New authorizations include authorizations made available in the year indicated, except appropriations to liquidate prior year authorizations. The table includes only that part of the authorization or expenditures used for construction.

SPECIAL ANALYSIS F—Continued
BUDGET AUTHORIZATIONS AND EXPENDITURES FOR CIVIL PUBLIC WORKS¹—Continued
 BY MAJOR FUNCTIONS AND AGENCY—Continued

Function, organization unit, and program	Functional code No.	NEW AUTHORIZATIONS			EXPENDITURES		
		1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
WELFARE, HEALTH, AND EDUCATION—Continued							
SOCIAL SECURITY, WELFARE, AND HEALTH—continued							
Department of Justice: Federal prison system: Federal prison facilities.....	207	\$560,000	\$526,000	\$1,736,000	\$1,231,521	\$1,126,000	\$1,436,000
Total, social security, welfare, and health		36,709,500	54,415,000	76,710,000	64,877,859	59,412,011	73,782,804
EDUCATION AND GENERAL RESEARCH							
Smithsonian Institution.....	303			260,000			260,000
General Services Administration: Geophysical Institute, Alaska.....	304				1,546		
Department of Commerce: National Bureau of Standards: Laboratories.....	304	125,000	125,000	125,000	2,578,796	608,486	269,000
Department of Health, Education, and Welfare: Office of Education: School construction:							
Federal installations.....	301	4,000,000	8,000,000	6,000,000	8,078,621	13,108,756	8,300,000
Grants.....	301	120,300,000	131,425,000	17,250,000	104,972,908	133,590,817	93,652,035
Total, education and general research.....		124,425,000	139,550,000	23,635,000	115,631,871	147,308,059	102,481,035
Total, welfare, health, and education		161,134,500	193,965,000	100,345,000	180,509,730	206,720,070	176,263,839
AGRICULTURE AND AGRICULTURAL RESOURCES							
Department of Agriculture:							
Agriculture Research Service: Laboratory and research facilities.....	355				494,909	5,050,000	4,823,576
Soil Conservation Service: Water conservation and flood prevention:							
Direct work.....	354	1,558,500	1,570,000	1,128,000	1,176,036	1,682,800	1,410,000
Grants.....	354	8,433,210	10,404,500	14,592,000	6,193,446	12,175,000	13,540,000
Commodity Credit Corporation: Storage facilities.....	351				42,911,342	26,500,000	1,500,000
Total, agriculture and agricultural resources.....		9,991,710	11,974,500	15,720,000	50,775,733	45,407,800	21,273,576
NATURAL RESOURCES							
Tennessee Valley Authority: Power and chemical facilities.....	401	183,351,526	114,383,000	22,443,000	299,326,119	281,705,056	79,862,000
Department of Agriculture: Forest Service: Forest roads and protective facilities.....	402	84,145,593	20,731,000	21,872,000	19,593,980	20,265,000	21,162,321
Department of Defense—Civil Functions:							
Department of the Army: Corps of Engineers:							
Flood control and multiple-purpose projects with power.....	401	292,449,000	297,690,000	325,997,000	366,818,819	316,400,000	314,800,000
Partnership projects (proposed legislation).....	401			10,000,000			10,000,000
Saint Lawrence River Joint Board of Engineers (grant).....	401	245,000		150,000		200,000	170,000
Total, Department of Defense—Civil Functions.....		292,694,000	297,690,000	336,147,000	366,818,819	316,600,000	324,970,000
Department of the Interior:							
Power transmission facilities:							
Southeastern Power Administration.....	401				3,925	15,000	
Southwestern Power Administration.....	401				2,789,278	1,604,897	400,000
Bonneville Power Administration.....	401	38,866,000	24,193,875	16,456,000	41,660,809	36,101,546	32,000,000
Bureau of Land Management: Access roads.....	401	2,000,000	2,486,000	2,500,000	1,426,517	3,400,000	3,500,000
Bureau of Indian Affairs: Irrigation works, roads, buildings, and utilities.....	401	39,029,000	7,775,565	7,847,356	17,087,479	18,891,328	21,580,000
Bureau of Reclamation:							
Irrigation and multiple-purpose projects with power.....	401	113,240,721	130,894,426	139,614,000	163,272,020	132,376,000	137,293,000
Upper Colorado River and Fryingpan-Arkansas developments (proposed legislation).....	401			7,000,000			5,000,000
Partnership projects (proposed legislation).....	401			10,000,000			10,000,000
Total, Bureau of Reclamation.....		113,240,721	130,894,426	156,614,000	163,272,020	132,376,000	152,293,000

¹ Budget authorizations consist of appropriations, reappropriations, contract authorizations, and authorizations to spend from public debt receipts. New authorizations include authorizations made available in the year indicated, except appropriations to liquidate prior year authorizations. The table includes only that part of the authorization or expenditures used for construction.

SPECIAL ANALYSIS F—Continued

BUDGET AUTHORIZATIONS AND EXPENDITURES FOR CIVIL PUBLIC WORKS ¹—Continued

BY MAJOR FUNCTIONS AND AGENCY—Continued

Function, organization unit, and program	Functional code No.	NEW AUTHORIZATIONS			EXPENDITURES		
		1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
NATURAL RESOURCES—Continued							
Department of the Interior—Continued							
Geological Survey: Denver Federal center and other.....	409	\$490,000	\$75,000	\$275,000	\$639,735	\$235,000	\$275,000
Bureau of Mines: Laboratories.....	403	425,000	6,000,000	-----	2,367,869	4,392,440	2,100,000
National Park Service: Parkways, roads, buildings, and utilities.....	405	77,376,300	3,331,695	3,950,000	13,015,704	17,176,557	28,493,200
Fish and Wildlife Service: Fish hatcheries and wildlife refuges.....	404	2,319,600	2,860,000	1,930,000	2,211,956	4,025,000	1,998,000
Total, Department of the Interior.....		273,746,621	177,616,561	189,572,356	244,475,292	218,217,768	242,639,200
Department of State:							
International Boundary and Water Commission, United States and Mexico, water resource projects.....	401	6,600,000	300,000	-----	5,863,819	3,300,000	2,300,000
Restoration of salmon runs, Fraser River system.....	404	-----	-----	-----	5,837	73,470	-----
Total, Department of State.....		6,600,000	300,000	-----	5,869,656	3,373,470	2,300,000
Total, natural resources.....		840,537,740	610,720,561	570,034,356	936,083,866	840,161,294	670,933,521
COMMERCE AND MANPOWER							
HOUSING AND COMMUNITY DEVELOPMENT							
Reconstruction Finance Corporation: Provision of community facilities:							
Loans.....	254	-----	-----	-----	35,871,600	-----	-----
Repayments.....	254	-----	-----	-----	• 34,874,768	-----	-----
Treasury Department (Reconstruction Finance Corporation): Provision of community facilities:							
Loans.....	254	-----	-----	-----	-----	8,607,400	-----
Repayments.....	254	-----	-----	-----	-----	• 23,182,291	• 1,000,000
General Services Administration: Grants for community facilities.....	254	-----	-----	-----	3,722	5,000	5,000
Housing and Home Finance Agency:							
Office of the Administrator:							
Loans for reserve of planned public works.....	254	-----	1,500,000	8,500,000	-----	40,000	3,245,000
Advance planning of nonfederal public works:							
Loans.....	254	-----	-----	-----	1,123,406	262,783	-----
Repayments.....	254	-----	-----	-----	• 3,213,245	• 3,250,000	• 3,000,000
Community facilities:							
Loans.....	254	-----	2,000,000	-----	3,230,632	1,330,437	885,000
Repayments.....	254	-----	-----	-----	• 177,000	• 54,800	• 62,800
Defense housing.....	251	-----	-----	-----	21,289,544	7,063,578	22,700
Defense community facilities (grants).....	254	-----	-----	-----	8,578,629	3,391,234	2,285,484
Public Housing Administration:							
Low-rent public housing:							
Loans.....	251	-----	-----	-----	525,595,700	454,230,382	482,620,200
Repayments.....	251	-----	-----	-----	• 936,016,705	• 539,406,615	• 479,235,700
Total, Housing and Home Finance Agency.....		-----	3,500,000	8,500,000	• 379,589,039	• 76,393,001	6,759,584
Department of Health, Education, and Welfare: Office of the Secretary: Grants for community facilities.....							
	254	-----	-----	-----	4,139,420	2,719,563	-----
Department of the Interior: Office of Territories:							
Alaska public works:							
Loans.....	254	6,000,000	4,725,515	2,500,000	3,678,294	10,000,000	5,000,000
Grants.....	254	6,000,000	4,725,515	2,500,000	3,678,294	10,000,000	5,000,000
Virgin Islands public works: Grants.....	254	1,100,000	-----	-----	1,544,129	2,500,000	268,586
Total, Department of the Interior.....		13,100,000	9,451,030	5,000,000	8,900,717	22,500,000	10,268,586
Total, housing and community development.....		13,100,000	12,951,030	13,500,000	• 365,548,348	• 65,743,329	16,033,470

• Deduct, excess of repayment and collections over expenditures.

¹ Budget authorizations consist of appropriations, reappropriations, contract authorizations, and authorizations to spend from public debt receipts. New authorizations include authorizations made available in the year indicated, except appropriations to liquidate prior year authorizations. The table includes only that part of the authorization or expenditures used for construction.

SPECIAL ANALYSIS F—Continued
BUDGET AUTHORIZATIONS AND EXPENDITURES FOR CIVIL PUBLIC WORKS¹—Continued
 BY MAJOR FUNCTIONS AND AGENCY—Continued

Function, organization unit, and program	Functional code No.	NEW AUTHORIZATIONS			EXPENDITURES		
		1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
COMMERCE AND MANPOWER—Continued							
TRANSPORTATION AND COMMUNICATION							
National Advisory Committee for Aeronautics: Research facilities.....	454	\$7,239,000	\$4,620,000	\$13,000,000	\$39,721,788	\$21,000,000	\$16,000,000
Saint Lawrence Seaway Development Corporation.....	452	105,000,000				5,969,000	21,627,000
Department of Commerce:							
Civil Aeronautics Administration:							
Establishment of air-navigation facilities.....	454	7,000,000	5,000,000	23,000,000	12,044,982	11,015,000	15,000,000
Washington, D. C., and Alaska airports.....	454	437,093	356,297	525,000	1,103,260	783,553	525,000
Federal-aid airport program: Grants.....	454		20,750,000	11,000,000	17,481,945	14,150,000	19,500,000
Total, Civil Aeronautics Administration.....		7,437,093	26,106,297	34,525,000	30,630,187	25,948,553	35,025,000
Coast and Geodetic Survey: Geomagnetic observatory.....	456	750,000			7,882	527,886	214,252
Maritime activities.....	451			250,000			150,000
Bureau of Public Roads:							
Grants for Federal-aid highways.....	453	573,538,329	873,201,000	872,335,000	519,659,510	588,684,210	667,420,000
Forest and Public lands highways.....	453	27,000,000	22,500,000	22,500,000	21,562,368	23,827,112	27,000,000
Access roads and other:							
Direct work.....	453	15,491,000			15,380,932	15,576,059	3,600,000
Grants.....	453				2,787,517	2,428,124	1,100,000
Total, Bureau of Public Roads.....		616,029,329	895,701,000	894,835,000	559,390,327	630,515,505	699,120,000
Total, Department of Commerce.....		624,216,422	921,807,297	929,610,000	590,028,396	656,991,944	734,509,252
Department of Defense—Civil Functions:							
Department of the Army:							
Corps of Engineers:							
Navigation projects.....	452	25,121,000	42,162,600	71,278,000	33,000,000	45,000,000	69,000,000
Delaware River project (proposed supplemental).....	452			6,000,000			3,000,000
Panama Canal Company: Construction.....	452				5,689,003	5,428,163	7,625,000
Total, Department of Defense—Civil Functions.....		25,121,000	42,162,600	77,278,000	38,689,003	50,428,163	79,625,000
Department of the Interior:							
National Park Service: Jones Point hrlidge (District of Columbia).....	453		675,000			50,000	475,000
Office of Territories:							
Alaska Railroad.....	456	8,809,000	2,900,000	4,100,000	7,492,755	6,653,219	9,619,105
Alaska roads.....	453	14,600,000	8,000,000	7,800,000	12,578,520	13,000,000	9,800,000
Total, Department of the Interior.....		23,409,000	11,575,000	11,900,000	20,071,275	19,703,219	19,894,105
Treasury Department: Coast Guard: Lifeboat stations and other aids.....	452	8,861,000	1,214,000	950,000	6,790,000	5,941,000	950,000
Total, transportation and communication.....		793,846,422	981,378,897	1,032,738,000	695,300,462	760,033,328	872,605,357
FINANCE, COMMERCE, AND INDUSTRY							
Funds appropriated to the President: Expansion of defense production facilities, nickel plant.....	506				2,907,530	30,000,000	12,000,000
Reconstruction Finance Corporation: Production and liquidation: Synthetic ruhher facilities.....	506				7,701,368		
Treasury Department (Reconstruction Finance Corporation): Federal Facilities Corporation: Synthetic ruhher facilities.....	506					11,000,000	41,000
Total, finance, commerce, and industry.....					10,608,898	41,000,000	12,041,000
Total, commerce and manpower.....		806,946,422	994,329,927	1,046,238,000	340,361,012	735,289,997	900,679,827

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SPECIAL ANALYSIS F—Continued

BUDGET AUTHORIZATIONS AND EXPENDITURES FOR CIVIL PUBLIC WORKS¹—Continued

BY MAJOR FUNCTIONS AND AGENCY—Continued

Function, organization unit, and program	Functional code No.	NEW AUTHORIZATIONS			EXPENDITURES		
		1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
GENERAL GOVERNMENT							
Legislative branch: Architect of the Capitol: Buildings.....	601				\$2,033,124	\$5,319,945	\$16,090,223
General Services Administration:							
Renovation and improvement of Federal buildings.....	605	\$3,652,593	\$5,710,000	\$11,324,000	4,391,832	8,198,508	10,830,000
Court facilities.....	602		2,970,600		191,129	2,040,700	970,600
Sites, planning, and construction of public buildings.....	610	576,200		1,200,000	3,979,236	5,349,910	1,232,643
Renovation and modernization, Executive Mansion.....	603				58,880	7,860	
Total, General Services Administration.....		4,228,793	8,680,600	12,524,000	8,621,077	15,596,978	13,033,243
Department of Commerce: Weather Bureau: Meteorological facilities.....	610			50,000			48,000
Department of Defense—Civil Functions: Department of the Army:							
Canal Zone Government:							
Streets, sewers, and other facilities.....	609		1,415,000	1,881,000	468,463	3,100,000	1,910,000
Memorial to Maj. Gen. G. W. Goethals.....	610				59,869	2,433	
Total, Department of Defense—Civil Functions.....			1,415,000	1,881,000	528,332	3,102,433	1,910,000
Department of the Interior: Office of Territories: Public buildings in Samoa and Pacific islands (grants).....	609	329,000	743,000	736,000	329,000	743,000	736,000
Department of Justice:							
Federal Bureau of Investigation: Training academy.....	608	550,000			503,158	40,275	
Immigration and Naturalization Service: Temporary detention camps.....	608				15,000		
Total, Department of Justice.....		550,000			518,158	40,275	
District of Columbia:							
Federal payment (grant).....	609		7,000,000	7,000,000		7,000,000	7,000,000
Loans for highway, sewer, and water systems.....	609	4,000,000	7,957,000	9,700,000	1,150,000	3,340,000	11,637,000
Total, District of Columbia.....		4,000,000	14,957,000	16,700,000	1,150,000	10,340,000	18,637,000
Total, general government.....		9,107,793	25,795,600	31,891,000	13,179,691	35,142,631	50,454,466
Total, all functions, civil public works.....		1,857,030,509	1,893,230,588	1,792,762,356	1,590,627,363	1,914,235,171	1,889,012,704

¹ Budget authorizations consist of appropriations, reappropriations, contract authorizations, and authorizations to spend from public debt receipts. New authorizations include authorizations made available in the year indicated, except appropriations to liquidate prior year authorizations. The table includes only that part of the authorization or expenditures used for construction.

SPECIAL ANALYSIS F—Continued

BUDGET AUTHORIZATIONS AND EXPENDITURES FOR NATIONAL SECURITY CONSTRUCTION

[In millions]

Organization unit and program	Functional code No.	NEW AUTHORIZATIONS			EXPENDITURES		
		1954 enacted	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
Military public works: Department of Defense:							
Interservice activities:							
Access roads.....	055		\$13.5			\$8.0	\$3.0
Family housing.....	055		75.0			5.0	10.0
Total, interservice activities.....			88.5			13.0	13.0
Department of the Army:							
Field forces and other operational facilities.....	053	\$2.2	2.3	\$2.4	\$285.0	160.0	190.0
Technical services.....	053	1.0	1.2	1.6	55.0	70.0	85.0
Military construction, Army Reserve Forces.....	053	9.1	15.0	31.6	17.4	20.0	30.0
Construction, Alaska Communication System.....	053		.5		.6	1.0	1.0
Classified.....	053				21.0	70.0	75.0
Total, Department of the Army.....		12.3	19.0	35.6	379.0	321.0	381.0
Department of the Navy:							
Aviation facilities.....	054		19.0		139.1	70.0	90.0
Navy facilities other than aviation.....	054		47.3		163.2	125.0	110.0
Marine Corps facilities other than aviation.....	054		1.4		28.3	11.0	15.0
Military construction, Naval Reserve Forces.....	054	30.0	15.0	28.5	.6	7.0	25.0
Construction, water supply facilities, San Diego, Calif.....	054				10.7	1.3	
Classified.....	054		30.3		31.2	24.0	25.0
Total, Department of the Navy.....		30.0	113.0	28.5	373.1	238.3	265.0
Department of the Air Force:							
Operational support facilities.....	052	158.1	469.3		671.0	600.0	720.0
Training facilities.....	052	3.6	25.8		29.2	25.7	30.8
Logistical, other support, and miscellaneous facilities.....	052	42.0	85.1		144.2	128.8	154.0
Classified.....	052	37.1	49.8		115.2	102.7	123.5
Total, Department of the Air Force.....		240.8	630.0		959.6	857.2	1,028.3
Proposed legislation.....	050			1,910.0			95.0
Total, Department of Defense.....		283.1	850.5	1,974.1	1,711.7	1,429.5	1,782.3
Other national security construction:							
Atomic Energy Commission: Production plants, research and other facilities.....	056	123.3	83.6		1,085.3	832.3	431.0
Proposed legislation.....	056						80.0
General Services Administration: Storage facilities for strategic and critical materials.....	058				6.3	1.1	
Total, other national security construction.....		123.3	83.6		1,091.6	833.4	511.0
Total, national security construction.....		406.4	934.1	1,974.1	2,803.3	2,262.9	2,293.3

SPECIAL ANALYSIS G

FEDERAL AID TO STATE AND LOCAL GOVERNMENTS

Net budget expenditures for Federal aid in the fiscal year 1956 are estimated at \$3,570 million, 6 percent of all Federal budget expenditures. This total, which includes grants-in-aid, revenues shared with the States or their subdivisions, and loans to States and other public bodies, is \$320 million above the revised estimate for the same purposes in the current fiscal year. Individual programs are listed in the detailed table included in this special analysis.

Table 1 shows Federal-aid expenditures for the years 1948 through 1956 along with their relative budgetary importance for the Federal Government and the State and local governments.

TABLE 1.—Federal-aid expenditures in relation to total Federal budget expenditures and total State-local revenues from their own sources

Fiscal year	Federal expenditures for aid to State and local governments (millions)	Federal-aid expenditures as percent of—	
		Total Federal expenditures	State-local revenues ¹
1948.....	\$1,657	5	8
1949.....	1,803	5	8
1950.....	2,269	6	10
1951.....	2,434	5	9
1952.....	2,604	5	9
1953.....	2,857	4	9
1954.....	2,657	4	8
1955 estimated.....	3,251	5	(²)
1956 estimated.....	3,570	6	(²)

¹ Based on compilations published by the governments division, Bureau of the Census.

² Not available.

The Commission on Intergovernmental Relations, established and continued by laws enacted in 1953 and 1954, is at present completing its studies of the division of responsibilities between the Federal Government and the State and local governments. It is giving particular attention to Federal grants-in-aid and other aids to States and their subdivisions, as well as tax sources, governmental functions, and intergovernmental tax immunities. It is scheduled to report to the President and the Congress during 1955.

General description.—Federal aid is a device of intergovernmental cooperation through which the Federal Government participates in selected State and local programs of national interest. Most Federal aid takes the form of grants-in-aid. In the estimates for the fiscal year 1956, net budget expenditures for grants total \$3,435 million, including \$58 million under proposed legislation; shared revenues total \$76 million; and loans, \$59 million.

Aid to the District of Columbia and the Territories is included in the total of Federal aid. Federal administrative expenses incurred in providing aid to State and local governments are excluded.

In the case of grants-in-aid, the Federal financial participation is not based on a particular service rendered specifically for the Federal Government by the State or local government, but instead supports a State or locally administered program. In most cases, the distribution of Federal funds among the States is determined by a formula set forth in the basic law.

The laws governing grants-in-aid programs contain provisions restricting Federal expenditures to specified purposes. States or local governments seeking to qualify for grants are usually required to meet certain conditions and standards on such matters as State or local financial participation, approval of State plans, the designation of an administering agency, a merit system of personnel

selection, reporting system, and audits. In their details, these Federal requirements vary considerably among programs.

Legislation governing a few grants-in-aid programs permits aid to private nonprofit agencies or institutions. The hospital construction program of the Department of Health, Education, and Welfare is an illustration. It is estimated that 45 percent of Federal expenditures for this purpose in the fiscal year 1956 will be used for private hospitals and other private health facilities. The program, nevertheless, is one in which the States have a central role through the preparation of statewide programs, the approval of individual projects, and the channeling of the Federal payments. Therefore the entire amount authorized and spent for the program is included as Federal aid in this table, but the amount going to private institutions is also indicated separately. Payments for privately-owned hospital facilities in the District of Columbia are also included as Federal aid; they are part of a local hospital program and are in addition to aid received under the general State-aid hospital construction program.

On the other hand, certain Federal programs may incidentally involve grants to particular State or local governmental agencies, even though they are not primarily programs of grants-in-aid or loans to State or local governments. For example, the Public Health Service and National Science Foundation make research grants to colleges and universities, including some State and local institutions. These payments are not included in the tabulation.

Payments of unemployment allowances to military veterans of the Korean conflict and to former Federal civilian employees are considered direct Federal programs. The States, as a service to the Federal Government, make the benefit payments through their unemployment compensation offices as agents of the Federal Government, and their expenses of administration are paid by the Government as part of its general grants-in-aid for unemployment compensation and employment service administration. These administrative costs in the States are not separately identifiable and are therefore included in the Federal-aid total even though the benefit payments are excluded.

In a few instances, grants-in-kind are made, usually involving commodities, services, or structures; wherever these can be identified in the budget they have been included in this analysis. Principal among them are grants of agricultural commodities to schools and welfare departments. On the other hand, the donation of previously-acquired property or its sale at less than cost is not reflected. For example, the tabulation omits grants of surplus public housing properties to local agencies which, on the basis of original cost, are estimated at \$45,589,000 in the fiscal year 1954, \$52,141,000 in 1955, and \$34,648,000 in 1956.

Shared revenues comprise (a) payments to States and localities of a portion of the proceeds from the sale of certain Federal property, products, and services; and (b) payment to the Territories of certain Federal tax collections derived within their boundaries or from transactions affecting them. Shared revenues from property and products are derived mainly from public lands in the west, and the Federal law usually requires that the State or local share be used for schools or for schools and roads in the county where the Federal lands are located. The payment of tax collections to the Territories (e. g., internal-

revenue collections for Puerto Rico) are included in this analysis this year for the first time.

Loans are made to State or local governmental bodies by several Federal agencies for specified types of public improvements, such as low-rent public housing, slum clearance, and urban renewal, by the Housing and Home Finance Agency. Also included in the category of loans are certain advances made by the same agency for the planning of non-Federal public works; these advances are not repayable unless the planned projects are carried out. Advances are also made by the Federal Civil Defense Administration in the operation of its supply procurement fund, which represents a central purchasing operation for State and local civil defense stocks. Like the District of Columbia hospital program, part of the Alaska public works expenditures represents Federal advances of funds to be repaid by the government of the Territory.

Budget expenditures for loans in most cases are net amounts, representing for any year the gross amount of loans and advances minus credits for certain collections during the year. As estimated for the fiscal year 1956, gross disbursements for this purpose are estimated at \$592 million, collections at \$533 million and the net excess of loans over collections at \$59 million. In a few cases, collections are not deducted from gross disbursements but, instead, are credited directly to miscellaneous receipts of the Treasury. These collections (which are shown in special analysis C as repayments of loans, by States, municipalities, and other public bodies) totaled \$3,855,000 in the fiscal year 1954 and are estimated at \$274,000 in 1955 and \$124,000 in 1956. The decline results from a reclassification of certain programs for which the receipts are included after 1954 in public-enterprise funds.

Major programs.—In the budget estimates for the fiscal year 1956, grants to State and local governments account for three-quarters of all the expenditures estimated for welfare, health, and education, and about half of net budget expenditures for commerce and manpower.

The largest grant program is public assistance, for which the budget includes \$1,400 million under existing laws and \$20 million under proposed legislation to improve medical care for assistance recipients. The next largest grant is for the construction of highways, estimated at \$669 million of expenditures in the fiscal year 1956.

Major nonconstruction grant programs, besides public assistance, include aid for school operation in areas especially affected by Federal activities, administrative costs of unemployment compensation and employment services, provision of school lunches and milk, public health services, vocational rehabilitation, and vocational education.

Major construction grant programs, besides Federal aid for highways, are for schools in areas especially affected by Federal activities, for hospitals and other health facilities, and for airports.

Legislation enacted during the past year expanded the scope of the vocational rehabilitation grants, increased the amount of this aid to States, and revised the formula governing the distribution of the funds among the States. In addition, the hospital construction program was broadened in scope to include other types of health facilities and the amount available for grants was increased.

Another development was introduction of the new school milk program which provides \$50 million a year in the fiscal years 1955 and 1956 to encourage increased consumption of milk by schoolchildren. This is in addition to contributions of surplus commodities financed from the appropriation for the national school lunch program and from other appropriations. Expenditures from the school lunch appropriation in the fiscal years 1954 and 1955

include \$67 million for cash payments to States and \$15 million for commodities. The recommended appropriation for this program for 1956 covers only cash payments to the States and the costs of administration. However, the school milk program and distribution of other commodities, together with the school lunch appropriation, will make Federal support of the overall school lunch program larger than ever before.

This budget contains several new legislative proposals affecting Federal aid. In addition to the public assistance revision mentioned above, these comprise extension and revision of public health grants, including those for mental health and maternal and child health and welfare; grants for juvenile delinquency control, for strengthening State industrial safety programs, for water resources development, and for drainage of anthracite mines.

Factors affecting aid expenditures and allocations.—The amounts expended for most programs of Federal aid are subject to two kinds of limitation: The establishment of maximum amounts in the basic authorizing laws and the necessity for annual appropriations by the Congress. However, in the public assistance program the Federal payment is a reimbursement to the States of a portion of their expenditures. The amount paid to each State is determined by a statutory formula applied to actual case-loads and individual benefit rates established by the State. Consequently, the amount appropriated in advance does not necessarily limit the total of Federal payments for a given year. Congress customarily provides a deficiency appropriation if this is necessary to match the claims submitted by the States.

Most Federal grant-in-aid statutes provide for the allocation of money among the States according to formulas containing specified measures of need, such as population, per-capita income, the incidence of certain diseases, area, or road mileage. These formulas vary considerably from one program to another, depending on the nature of the activity or services for which the aid is given. A few grants are allocated to States as a percentage of State expenditures within specified statutory limitations. Other grants are distributed as an equal amount to each State. Some allocation formulas are statutory while others are established by the administering Federal agency on the basis of criteria listed in the laws.

The newly enacted vocational rehabilitation formula provides for variation by States in both the allotment of funds and the requisite matching share, in inverse proportion to per-capita income. Similar formulas are recommended in this budget for grants-in-aid in the field of health, including maternal and child health.

Citations to the basic laws are included in the pertinent appropriation language in part II of the budget, which also contains the appropriation accounts from which the detailed table in this analysis is compiled. Summary information about the formulas as well as the statutory citations for grants-in-aid and shared revenues are published annually by the Treasury Department in tabular form in the *Annual Report of the Secretary of the Treasury on the State of the Finances*.

Relationship to other budget figures.—All the amounts shown in this special analysis represent budget expenditures, as defined in the introduction to part I. In most cases, the expenditures in a given fiscal year correspond closely to the amount of the appropriation, but in some instances the expenditures for grants or loans are made from an appropriation which also finances direct Federal operations or Federal administrative expenses. When this occurs, the amounts tabulated in this analysis ordi-

narily represent an estimate of that part of the expenditure which is paid as aid to State and local governments. Also, there are certain programs—chiefly construction—where there are substantial differences between appropriations (or other authority to incur obligations) for any year and expenditures in that year. This arises from the fact that construction projects usually cannot be completed and paid for within a fiscal year. In 1956, for example, the hospital construction and school construction programs of the Department of Health, Education, and Welfare show substantial differences between appropriation and expenditure estimates.

The detailed tabulation of Federal expenditures for aid to State and local governments is arranged according to the functional classification used in the budget message. In order that this analysis may be related readily to the analysis of investment, operating, and other budget expenditures presented in special analysis D, that tabulation shows separately in each category the amounts of Federal aid to State and local governments. In table 2, following, the Federal-aid programs are recapitulated to follow the outline of special analysis D.

TABLE 2.—*Expenditures for Federal aid to State and local governments classified as "Investment, operating, and other expenditures"*

(In millions)			
Category	1954 actual	1955 estimate	1956 estimate
Additions to Federal assets: Loans to State and local governments.....	• \$395	• \$75	\$59
Expenditures for other developmental purposes:			
State and local physical assets.....	734	838	897
Private physical assets.....	41	40	49
Education, training, and health.....	205	228	253
Research and development.....	13	20	26
Engineering and natural resource surveys.....		2	4
Total, other developmental purposes.....	993	1,128	1,229
Current expenses for aids and special services:			
Agriculture.....	171	226	263
Labor.....	203	195	247
Home owners and tenants.....	56	115	147
Veterans.....	6	7	8
Other aids and special services.....	1,524	1,538	1,505
Total, current expenses for aids and special services.....	1,960	2,081	2,170
Other services and current operating expenses: Shared revenues and grants-in-aid.....	99	117	113
Total, Federal aid to State and local governments.....	2,657	3,251	3,570

• Deduct, excess of repayments and collections over expenditures.

NOTE.—Slight differences in the totals in special analyses D and G result from rounding.

Similarly, table 3 relates this special analysis of Federal aid to special analysis F which tabulates budget expenditures for public works. About one-fourth of all Federal-aid expenditures is for public works, mostly public roads.

Other financial relationships.—Apart from grants-in-aid, loans, and shared revenues, many other Federal expenditures and policies affect the finances of State and local governments. Types of transactions not covered in the tabulation of aids include the following:

(a) Reimbursements for various specific services, such as payments to public educational institutions for tuition of veterans and of students from the Armed Forces and payments to local governments for care of Federal prisoners in local institutions.

(b) Contractual payments to public institutions for research and training in specified fields.

TABLE 3.—*Federal-aid expenditures for civil public works*

(In millions)			
Type of aid and function	1954 actual	1955 estimate	1956 estimate
Grants-in-aid:			
Welfare, health, and education:			
Social security, welfare, and health ¹	\$51	\$44	\$55
Education and general research.....	105	134	94
Agriculture and agricultural resources.....	6	12	13
Natural resources.....	(²)	(²)	20
Commerce and manpower:			
Transportation and communications.....	540	605	688
Housing and community development.....	18	19	8
General government.....		8	8
Total, grants-in-aid for public works.....	720	822	886
Loans and repayable advances:			
Welfare, health, and education: Social security, welfare, and health.....	1	4	6
Commerce and manpower: Housing and community development.....	• 405	• 91	8
General government.....	1	3	12
Total loans and repayable advances.....	• 403	• 84	26
Total, Federal aid to State and local governments for public works.....	317	738	912

• Deduct, excess of repayments and collections over expenditures.

¹ Does not include grants for construction of private nonprofit hospitals.

² Less than one-half million.

(c) The value of surplus educational and hospital supplies, materials, and equipment, and of housing and other real estate donated or sold at substantial discounts to State and local agencies. The surplus public housing mentioned earlier is in this category of omitted grants-in-kind.

(d) The payments of property taxes, or payments in lieu of property taxes, made upon Federal property under the provisions of nearly a score of laws. When such payments are based upon a percentage of revenues, however, as in the case of the Tennessee Valley Authority, they are included in the shared-revenue section of the table.

(e) The transfer to the unemployment trust fund of the excess of receipts from the Federal unemployment tax over operating costs of the Federal-State unemployment compensation and placement program. This annual transfer, first made in the fiscal year 1955 under legislation enacted last year, is devoted initially to setting up a reserve of \$200 million from which loans can be made to States which deplete their own reserves for benefit payments. Such loans, if made, will be trust fund transactions and therefore would not be reflected in the tabulation of Federal aid.

Likewise, the table does not reflect various indirect financial benefits accruing to State and local governments, such as the lower interest rates which those governments may enjoy because of exemption from Federal income tax of interest paid on State and local debt; the indirect Federal guaranty of municipal obligations issued for low-rent housing and urban renewal; deductions of State and local income, property, and other taxes from personal and corporate incomes in computing Federal income tax; services which may be rendered to other governmental units by Federal agencies in the ordinary course of their operations; and some programs administered cooperatively for the purposes of both the State and Federal Governments, such as agricultural crop reporting or the National Guard.

Some of these financial benefits, of course, have counterparts in the form of services rendered or occasional payments made to the Federal Government by the States or their subdivisions.

SPECIAL ANALYSIS G—Continued
FEDERAL AID TO STATE AND LOCAL GOVERNMENTS—Continued

Function, agency, and program	Functional code No.	EXPENDITURES		
		1954 actual	1955 estimate	1956 estimate
GRANTS-IN-AID				
Veterans' services and benefits:				
Veterans Administration:				
Aid to State homes ¹	105	\$3,745,366	\$4,073,875	\$5,175,000
State supervision of schools and training establishments ¹	106	2,328,100	2,577,400	2,577,400
General Services Administration:				
State supervision of schools and training establishments.....	106	790		
Total, veterans' services and benefits.....		6,074,256	6,651,275	7,752,400
Welfare, health, and education:				
Social security, welfare, and health:				
Department of Health, Education, and Welfare:				
Public assistance.....	202	1,437,516,484	1,444,951,109	1,400,000,000
Vocational rehabilitation.....	203	22,977,347	27,030,210	39,850,000
Hospital construction.....	206	89,918,714	80,171,190	100,000,000
Portion to private nonprofit institutions.....	206	(40,463,422)	(36,077,035)	(45,000,000)
Surveys and programs for hospital construction.....	206	10,952	1,500,000	500,000
Assistance to States, general public health ¹	206	10,129,000	9,725,000	9,725,000
Control of venereal disease ¹	206	2,165,000	700,000	700,000
Control of tuberculosis ¹	206	4,273,665	4,500,000	4,500,000
Mental health activities ¹	206	2,307,841	2,325,000	3,000,000
National Heart Institute ¹	206	1,054,134	1,125,000	1,125,000
National Cancer Institute ¹	206	3,320,237	2,250,000	2,250,000
Maternal and child welfare.....	206	29,380,329	30,000,000	30,000,000
Disease and sanitation control, Alaska ¹	206	564,000	638,000	638,000
Water pollution control.....	206	• 69	85	1,000,000
Department of Agriculture: National school-lunch program.....	203	83,497,551	83,471,000	67,921,000
General Services Administration:				
Hospital facilities in District of Columbia (private nonprofit) ²	206	507,665	1,675,000	800,000
Interstate Commission on the Potomac River Basin.....	206	5,000	5,000	10,000
Proposed legislation, Department of Health, Education, and Welfare:				
Public assistance (medical services).....	202			20,000,000
Extension and improvement of health and welfare activities.....	206			13,250,000
Total, social security, welfare, and health.....		1,687,627,850	1,690,066,594	1,695,269,000
Education and general research:				
Department of Health, Education, and Welfare:				
Assistance for school construction and operation in federally affected areas:				
Maintenance and operation of schools.....	301	67,396,407	72,724,373	66,062,500
School construction.....	301	105,267,010	133,586,259	93,652,035
Vocational education.....	301	25,321,767	30,716,590	30,811,592
Colleges for agriculture and the mechanic arts.....	301	5,051,500	5,051,500	5,051,500
Education of the blind.....	302	175,000	205,000	224,000
White House Conference.....	301		700,000	
Total, education and general research.....		203,211,684	242,983,722	195,801,627
Total, welfare, health, and education.....		1,890,839,534	1,933,050,316	1,891,070,627

Function, agency, and program	Functional code No.	EXPENDITURES		
		1954 actual	1955 estimate	1956 estimate
GRANTS-IN-AID—Continued				
Agriculture and agricultural resources: Department of Agriculture:				
Removal of surplus agricultural commodities: ¹				
Contribution to school-lunch program.....	351	\$94,217,791	\$48,200,000	\$94,200,000
Contribution to other public welfare agencies.....	351	67,282,209	43,300,000	66,000,000
Commodity Credit Corporation:				
Contribution to school-lunch program.....	351		30,800,000	7,800,000
Contribution to other public welfare agencies.....	351	119,795	44,450,000	36,450,000
School milk program.....	351		50,000,000	50,000,000
Watershed protection.....	354	972,228	6,000,000	7,350,000
Flood prevention.....	354	5,386,446	7,175,000	7,440,000
Cooperative agricultural extension work.....	355	31,771,778	39,550,000	45,447,000
Agricultural experiment stations.....	355	13,426,079	19,430,000	24,744,000
Agricultural Marketing Act: Cooperative projects in marketing ¹	355		900,000	1,000,000
Total, agriculture and agricultural resources.....		213,176,326	289,805,000	340,431,000
Natural resources:				
Department of Defense: Department of the Army: Corps of Engineers: United States section, Saint Lawrence River Joint Board of Engineers.....				
	401		200,000	170,000
Department of Agriculture: State and private forestry cooperation.....	402	9,799,589	9,736,000	8,780,000
Department of the Interior:				
Wildlife restoration ¹	404	12,847,962	12,448,000	11,964,000
Fish restoration and management ¹	404	2,292,886	4,303,000	4,808,000
Proposed legislation:				
Department of Defense: Department of the Army: Corps of Engineers: Participating projects.....				
	401			10,000,000
Department of the Interior: Bureau of Reclamation:				
Participating projects.....	401			10,000,000
Drainage of anthracite mines.....	403		2,000,000	3,000,000
Total, natural resources.....		24,940,437	28,687,000	48,722,000
Commerce and manpower:				
Transportation and communication: Department of Commerce:				
State marine schools ¹	451	150,000	150,000	
Federal-aid highway.....	453	519,659,510	588,684,210	667,420,000
Other Federal highway programs.....	453	1,977,150	1,859,870	800,000
War and emergency damage, roads, Territory of Hawaii.....	453	810,367	858,254	300,000
Federal-aid airport program ¹	454	17,481,945	14,150,001	19,500,000
Total, transportation and communication.....		540,078,972	605,702,335	688,020,000
Housing and community development:				
Housing and Home Finance Agency:				
Low rent housing program—annual contributions ¹	251	44,473,610	67,776,390	87,000,000
Slum clearance and urban renewal, capital grants ¹	255	11,583,710	47,598,532	60,000,000
Urban planning grants.....	255		500,000	2,500,000
Defense community facilities and services.....	254	8,578,629	3,391,234	2,285,484

• Deduct. ¹ Part of a larger appropriation account. ² Part of a larger appropriation account. A related part of this appropriation is shown under repayable advances.

SPECIAL ANALYSIS G—Continued

FEDERAL AID TO STATE AND LOCAL GOVERNMENTS—Continued

Function, agency, and program	Functional code No.	EXPENDITURES		
		1954 actual	1955 estimate	1956 estimate
GRANTS-IN-AID—Continued				
Commerce and manpower—Con.				
Housing and community development—Continued				
Department of Health, Education, and Welfare: Defense community facilities and services ¹	254	\$4,139,420	\$2,719,563	-----
General Services Administration: Defense public works, community facilities.....	254	3,722	5,000	\$5,000
Department of the Interior:				
Virgin Islands public works.....	254	1,544,129	2,500,000	268,586
Alaska public works ²	254	3,678,293	10,000,000	5,000,000
Federal Civil Defense Administration: Federal contributions.....	256	13,696,766	14,763,951	10,000,000
Funds appropriated to the President: Disaster relief.....	258	2,528,362	10,000,000	17,000,000
Total, housing and community development.....		90,226,641	159,254,670	184,059,070
Labor and manpower: Department of Labor:				
Unemployment compensation and employment service administration.....	552	202,836,797	195,000,000	245,420,000
Proposed legislation: To strengthen State industrial safety programs.....	553	-----	-----	1,500,000
Total, labor and manpower.....		202,836,797	195,000,000	246,920,000
Total, commerce and manpower.....		833,142,410	959,957,005	1,118,999,070
General government:				
Department of the Interior: Grants to American Samoa, Guam, and the Trust Territories.....	609	6,300,010	6,882,000	6,561,600
District of Columbia: Federal contribution.....	609	12,000,000	21,890,000	21,892,700
Total, general government.....		18,300,010	28,772,000	28,454,300
Total, grants-in-aid.....		2,986,472,973	3,246,922,596	3,435,429,397
SHARED REVENUES				
Agriculture and agricultural resources: Department of Agriculture: Submarginal land program.....	354	461,034	375,000	375,000
Natural resources:				
Federal Power Commission: Federal Power Act.....	401	35,382	32,775	35,137
Department of the Interior:				
Grazing receipts, to States.....	401	348,711	366,977	400,500
Proceeds, to States, sales of public land and materials.....	401	66,655	149,000	165,000
Alaska school lands, income and proceeds.....	401	545	1,408	700
Boulder Canyon project, payments to Arizona and Nevada.....	401	600,000	600,000	600,000
Oregon and California land-grant fund, to counties.....	402	6,422,027	12,612,500	7,487,500
Payments to Coos and Douglas Counties, Oreg., on Coos Bay Wagon Road grant lands.....	402	-----	28,276	30,000

Function, agency, and program	Functional code No.	EXPENDITURES		
		1954 actual	1955 estimate	1956 estimate
SHARED REVENUES—Con.				
Natural resources—Continued				
Department of the Interior—Con.				
Payments to Oklahoma from oil and gas royalties.....	403	\$8,803	\$12,000	\$12,000
Mineral Leasing Act, to States.....	403	18,741,003	23,583,600	25,762,500
Payment to Wyoming in lieu of taxes, public parks.....	405	26,134	25,813	26,092
Migratory Bird Conservation Act, to counties.....	404	470,619	564,355	625,000
Department of Agriculture:				
National forests fund, to States for counties.....	402	18,695,126	16,470,885	15,545,300
National forest receipts, to Arizona and New Mexico for schools.....	402	122,755	102,579	102,000
Department of Defense: Flood Control Act of 1938, to States for counties.....	401	988,885	1,053,144	1,150,000
Tennessee Valley Authority: Payments in lieu of taxes.....	401	3,578,668	3,883,000	4,188,000
Total, natural resources.....		50,566,347	59,861,312	56,504,729
General government:				
Department of the Interior: Internal revenue collections, Virgin Islands.....	609	-----	4,000,000	4,000,000
Treasury Department:				
Tax collections from American Samoa and Puerto Rico.....	609	15,035,435	15,161,457	15,075,000
Income tax on Alaskan railroads.....	609	1,088	-----	-----
Total, general government.....		15,036,523	19,161,457	19,075,000
Total, shared revenues.....		65,602,870	79,022,769	75,579,729
LOANS AND REPAYABLE ADVANCES				
Gross loans and repayable advances:				
Welfare, health, and education:				
Social security, welfare, and health: General Services Administration: Hospital facilities in District of Columbia (private nonprofit) ³	206	828,815	3,925,000	6,150,000
Commerce and manpower:				
Housing and community development:				
Housing and Home Finance Agency:				
Low rent housing.....	251	525,595,700	454,230,382	482,620,200
Advance planning of non-Federal public works ⁴	254	1,123,406	262,783	-----
Reserve of planned public works.....	254	-----	40,000	3,245,000
Defense community facilities and services ⁵	254	3,230,632	390,437	-----
Public facility loans.....	254	-----	940,000	885,000
Slum clearance and urban renewal.....	255	24,390,521	36,800,000	81,000,000
Treasury Department (Reconstruction Finance Corporation): Provision of community facilities.....	254	35,871,600	8,607,400	-----

¹ Part of a larger appropriation account. A related part of this appropriation is shown under repayable advances.² Part of a larger appropriation account. A related part of this appropriation is shown under grants in-aid.³ Part of the estimated expenditures shown may be for loans to local governments and for direct Federal construction of local facilities.⁴ Part of a larger account.

SPECIAL ANALYSIS G—Continued

FEDERAL AID TO STATE AND LOCAL GOVERNMENTS—Continued

Function, agency, and program	Functional code No.	EXPENDITURES		
		1954 actual	1955 estimate	1956 estimate
LOANS AND REPAYABLE ADVANCES—Continued				
Gross loans and repayable advances—Continued				
Commerce and manpower—Con.				
Housing and community development—Continued				
Federal Civil Defense Administration: Procurement fund.	256	\$35,192,269	\$3,617,500	\$1,480,000
Department of the Interior: Alaska public works ^a	254	3,678,294	10,000,000	5,000,000
General government: District of Columbia: Loans for capital outlays.....	609	1,150,000	3,340,000	11,637,000
Total, gross loans.....		631,061,237	522,153,502	592,017,200
Collections credited against expenditures:				
Commerce and manpower:				
Housing and Home Finance Agency:				
Low rent housing program.....	251	• 936,016,705	• 539,406,615	• 479,235,700
Advance planning of non-Federal public works ^a	254	• 3,213,245	• 3,250,000	• 3,000,000
Defense community facilities and services ^a	254	• 2,000	• 19,800	• 27,800
War public works ^a	254	• 175,000	• 35,000	• 35,000
Slum clearance and urban renewal.....	255	• 13,960,321	• 27,800,000	• 48,500,000

Function, agency, and program	Functional code No.	EXPENDITURES		
		1954 actual	1955 estimate	1956 estimate
LOANS AND REPAYABLE ADVANCES—Continued				
Collections credited against expenditures—Continued				
Commerce and manpower—Con.				
Treasury Department (Reconstruction Finance Corporation): Provision of community facilities.....	255	• \$34,874,768	• \$23,182,291	• \$1,000,000
Federal Civil Defense Administration: Procurement fund.....	256	• 37,931,821	• 3,617,500	• 1,480,000
Total, collections credited against expenditures.....		•1,026,173,860	• 597,311,206	• 533,278,500
Net budget expenditures for loans and repayable advances.....		• 395,112,623	• 75,157,704	58,738,700
Total, grants-in-aid, shared revenues, loans, and repayable advances.....				
Grants-in-aid, loans, and repayable advances for civil public works.....		317,127,478	737,523,400	911,915,805
Grants for hospital construction to private nonprofit institutions.....		40,463,422	36,077,035	45,000,000
Other grants-in-aid, shared revenues, loans, and repayable advances.....		2,229,372,320	2,477,187,226	2,612,832,021
Total, grants-in-aid, shared revenues, loans, and repayable advances.....		2,656,963,220	3,250,787,661	3,569,747,826

^a Deduct, excess of repayments and collections over expenditures.^b Part of a larger appropriation account. A related part of this appropriation is shown under grants-in-aid.^c Part of a larger account.

SPECIAL ANALYSIS H

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS

For the fiscal year 1956, net budget expenditures for research and development programs of the Federal Government are estimated at \$2,218 million. This represents an increase of \$147 million over 1955 and \$123 million over 1954. Included in these amounts are expenditures for the conduct of research and for increase of research and development plant, as summarized in table 1.

TABLE 1.—Total Federal research and development expenditures
[In millions]

	1954 actual	1955 estimate	1956 estimate
Conduct of research and development.....	\$1,844.5	\$1,829.2	\$1,966.4
Increase of research and development plant.....	250.2	241.8	251.3
Total.....	2,094.7	2,071.0	2,217.7

The largest share of the Federal research and development budget is devoted to military and related research and development in the major national security programs of the Department of Defense and the Atomic Energy Commission. This has increased substantially since the beginning of World War II. Other research has increased less rapidly but, as table 2 indicates, has not been subject to as much fluctuation.

TABLE 2.—Division of Federal expenditures for research and development between major national security and other programs
[In millions]

Fiscal year	Major national security	Other	Total
1940.....	\$29	\$68	\$97
1941.....	152	70	222
1942.....	227	63	290
1943.....	534	76	610
1944.....	1,304	79	1,383
1945.....	1,511	95	1,606
1946.....	845	90	935
1947.....	807	109	916
1948.....	736	129	865
1949.....	938	159	1,097
1950.....	926	217	1,143
1951.....	1,125	217	1,342
1952.....	1,632	207	1,839
1953.....	1,908	200	2,108
1954.....	1,804	291	2,095
1955 (estimated).....	1,746	325	2,071
1956 (estimated).....	1,863	355	2,218

It is estimated that the expenditures of the Federal Government for research and development represent approximately half the total expenditures of the Nation for this purpose. Outside the Government, private industry spends the greatest amount for research, with considerably lesser amounts provided from funds available to educational institutions, research institutes, and State and local governments.

Within the Federal Government, the National Science Foundation provides general coordination with respect to basic research. The Foundation is studying the scientific activities of the Nation as a basis for recommending to the President policies to strengthen the national scientific effort and to define the role of the Federal Government. Initial reports are expected during the coming year.

The amounts shown in this analysis include funds expended for basic research and for developmental and applied research (all of which are included in "conduct of research and development") and for research facilities. Basic research is estimated to account for less than 10 percent of the total.

Expenditures of the Government for the conduct of research and development comprise the costs of those activities in which the primary aim is to develop new knowledge or to apply existing knowledge to new uses. These activities may be performed in Government facilities or in the facilities of private or State or local government organizations using Federal funds in cooperative projects or through grants or contracts. Such organizations include universities, research institutes, and industrial concerns. Generally excluded from conduct of research are expenditures for routine testing, mapping and surveys, experimental production, information, and training activities. Several of the statistical programs shown in special analysis I are included also in this special analysis.

Expenditures for increase of research and development plant include amounts for physical facilities, such as land, buildings, or equipment, regardless of whether the facility is to be used by the Government or a private organization and regardless of where title rests.

Research and development expenditures of the Department of Defense account for 68 percent of the Federal total, and expenditures of the Atomic Energy Commission 16 percent. The remaining expenditures are distributed among other Government departments and agencies. The activities of the individual Federal agencies engaged in research and development are described below.

All expenditures shown in this special analysis are net budget expenditures as defined in the introduction to part I of the budget. They include estimated expenditures from supplemental appropriations proposed for later transmittal to the Congress, as well as from appropriation-previously enacted or recommended in this budget.

DEPARTMENT OF DEFENSE—MILITARY FUNCTIONS

The objective of the research and development programs of the Department of Defense is to make significant improvements in the weapons, equipment, and techniques of the Armed Forces. The principal emphasis continues to be on developments which will make possible wider and more effective use of the capabilities of nuclear weapons, and which, under conditions of atomic warfare, will improve the continental air defenses and increase the mobility of the combat forces. In each program, a major consideration is that the new weapons and equipment developed must be reliable and practical in operation and should, where possible, reduce the overall costs of military preparedness and operations. The Department of Defense program is primarily concerned with applied research and development, but some support is also given to basic research directly related to current development programs or likely to have future military significance.

Table 3 summarizes the Department of Defense expenditures shown in the detailed tables.

TABLE 3.—Expenditures of the Department of Defense for research and development

[In millions]

Functional classification	1954 actual	1955 estimate	1956 estimate
050 Major national security:			
Conduct of research and development.....	\$1,384.8	\$1,307.0	\$1,368.9
Increase of research and development plant.....	145.2	150.0	150.0
Total, Department of Defense.....	1,530.0	1,457.0	1,518.9

CONDUCT OF RESEARCH AND DEVELOPMENT

The expenditures for conduct of research and development by the Department of Defense in this special analysis are the amounts covered in the research and development category of the Department's budget. This category includes contracts with industry and non-profit institutions and work conducted in the research and development laboratories and test stations of the Department. While estimates on this basis give a fair indication of the costs directly related to the Department's research and development program, they exclude substantial costs associated with research and development which are carried in other budget categories, such as pay and allowances of military personnel, production in quantity of prototypes of new weapons and equipment for test and evaluation, and procurement of certain standard supplies and military equipment used in research, development, and test activities. The construction of research and development facilities is included in the military public works category, discussed separately below.

TABLE 4.—Expenditures of the military departments for conduct of research and development

[In millions]			
Military department	1954 actual	1955 estimate	1956 estimate
Army	\$395.7	\$372.0	\$382.0
Navy	475.8	431.0	431.9
Air Force	513.3	504.0	550.0
Office of the Secretary of Defense			5.0
Total	1,384.8	1,307.0	1,368.9

The 1956 budget reflects changes in budgeting for research and development in the Department of Defense which are designed to facilitate management and to bring about greater uniformity among the three military departments in the classification of the programs and in the budgeting for indirect costs for the operation of research and development facilities. The expenditures shown in table 4 for the research and development category include \$31.5 million in the fiscal year 1956 for indirect costs which in prior years were charged to other categories. Table 5 summarizes total obligations and expenditures for the major programs, adjusted to be fully comparable to the 1956 budget recommendations for new obligational authority.

TABLE 5.—Obligations and expenditures, by program, of the Department of Defense for conduct of research and development

[In millions]			
Program	1954 actual	1955 estimate	1956 estimate
<i>Obligations and New Obligational Authority</i>			
1. Aircraft	\$269.8	\$263.0	\$281.2
2. Guided missiles	231.4	254.1	242.4
3. Ships and small craft	59.6	68.4	72.5
4. Combat and support vehicles	19.9	21.5	18.4
5. Artillery and other weapons	13.0	9.5	8.2
6. Ammunition	122.6	125.2	119.5
7. Other equipment	124.6	127.2	136.1
8. Military sciences	173.5	190.1	186.8
9. Operation and management of facilities	266.3	325.1	340.5
Total planned obligations	1,280.7	1,384.1	1,405.6
Unobligated balance brought forward from prior year	-154.8	-193.9	-148.0
Unobligated balance carried forward to next year	193.9	148.0	77.3
Unobligated balance, estimated savings	85.1		
Emergency fund, Department of Defense		24.0	35.0
Total new obligational authority	1,404.9	1,362.2	1,369.9
<i>Expenditures</i>			
Total expenditures, research and development category	1,384.8	1,307.0	1,368.9
Amounts charged to other categories	31.4	43.5	22.0
Total expenditures (comparable to above)	1,416.2	1,350.5	1,390.9

NOTE.—Programs 1 through 6 include related equipment.

Expenditures of the Department for conduct of research and development, as shown above, will decline somewhat in 1955, as a result of major program revisions made in 1953 and 1954. They will increase again in 1956, because of higher outlays for the operation of test ranges and other facilities.

Within the Department of Defense, the research and development program is administered by the three military departments under the general direction of the Secretary of Defense. About 60 percent of the expenditures are for work performed under contracts with industry and non-profit institutions; the remainder goes for work in Department of Defense facilities and for the administration of the entire program. The composition of the planned 1956 program is shown in table 6.

TABLE 6.—Obligations and expenditures, by program, of the military departments for conduct of research and development in the fiscal year 1956

[In millions]				
Program	Army	Navy	Air Force	Total
<i>Obligations and New Obligational Authority</i>				
1. Aircraft	\$17.6	\$108.5	\$155.1	\$281.2
2. Guided missiles	75.6	61.8	105.0	242.4
3. Ships and small craft	.3	72.2		72.5
4. Combat and support vehicles	17.4		1.0	18.4
5. Artillery and other weapons	7.3	.9		8.2
6. Ammunition	44.4	58.3	16.8	119.5
7. Other equipment	57.3	27.0	51.8	136.1
8. Military sciences	66.9	57.6	62.3	186.8
9. Operation and management of facilities	80.7	45.6	214.2	340.5
Total planned obligations	367.5	431.9	606.2	1,405.6
Unobligated balance brought forward from prior year	-51.5	-5.0	-91.5	-148.0
Unobligated balance carried forward to next year	17.0	5.0	55.3	77.3
Total, new obligational authority, military departments	333.0	431.9	570.0	1,334.9
Emergency fund, Department of Defense				35.0
Total new obligational authority				1,369.9
<i>Expenditures</i>				
Total expenditures, research and development category, military departments	382.0	431.9	550.0	1,363.9
Amounts charged to other categories			22.0	22.0
Total expenditures comparable to above, military departments	382.0	431.9	572.0	1,385.9
Office of the Secretary of Defense				5.0
Total expenditures (comparable to above)				1,390.9

NOTE.—Programs 1 through 6 include related equipment.

1. *Aircraft and related equipment.*—This program supports the development of all types of piloted combat and support aircraft for the Air Force, Navy, and Marine Corps; small support aircraft for the Army; and related propulsion systems, armament, and other equipment.

2. *Guided missiles and related equipment.*—The programs of the three services in this field are for research and development of air-, surface-, and ship-launched guided missiles and pilotless aircraft systems for use against surface and air targets; target drones; and related equipment and components.

3. *Ships and small craft and related equipment.*—The Navy program includes research and development for ships, submarines, and small craft, and the related propulsion systems, armament, and other equipment. The Army program is for small craft for transport, reconnaissance, and assault use.

4. *Combat and support vehicles and related equipment.*—The Army program covers tanks, self-propelled artillery, amphibious vehicles, and other combat vehicles; general and special purpose support vehicles; and related equipment and components. The Air Force program is for special purpose vehicles and equipment.

5. *Artillery and other weapons and related equipment.*—The Army program includes field guns, rocket launchers, small arms, and their equipment. The Navy has a small program for specialized weapons for the Marine Corps and Navy.

6. *Ammunition and related equipment.*—This program covers research and development of all types of ammunition items and components.

7. *Other equipment.*—Under this program the three services conduct research and development of communications, navigation, detection, warning, reconnaissance, training, medical, and other types of equipment not directly related to other programs.

8. *Military sciences.*—This covers the development of materials, components, and techniques not directly related to other programs and basic and applied scientific research of general applicability to military requirements.

9. *Operation and management of facilities.*—These amounts are for costs of research, development, and test facilities not charged directly to other programs.

INCREASE OF RESEARCH AND DEVELOPMENT PLANT

Expenditures shown in this analysis for increase of research and development plant of the Department of Defense include estimates of total public works construction at those installations which have research, development, or testing as their principal mission; and also estimates of that part of construction at other installations which is in support of the research and development program. The construction program for the fiscal year 1956 represents continuation of projects authorized in previous years and initiation of new projects for which authorization is to be requested. Minor increases of research and development plant are included in the estimates for conduct of research and development.

TABLE 7.—Expenditures of the military departments for increase of research and development plant

[In millions]			
Military department	1954 actual	1955 estimate	1956 estimate
Army.....	\$30.5	\$35.0	\$25.0
Navy.....	30.0	15.0	20.0
Air Force.....	84.7	100.0	105.0
Total.....	145.2	150.0	150.0

ATOMIC ENERGY COMMISSION

The Atomic Energy Commission conducts research in the physical and life sciences and carries on engineering development work. Its objectives are to promote the improvement of fissionable material production processes, the design of more effective weapons, the production of useful power from atomic energy, a better understanding of nuclear phenomena, and the protection of people and the environment against the hazards of atomic energy operations. This research and development work is performed at laboratories and other facilities owned by the Commission and operated by private contractors, as well as in universities and other institutions. Although much of the research effort is undertaken to meet military needs, it yields information which often contributes to progress in non-military fields. Moreover, a growing portion of the Commission's research program is devoted to developing peaceful applications of nuclear energy.

Table 8 indicates expenditures by major programs.

TABLE 8.—Expenditures of the Atomic Energy Commission for research and development

[In millions]							
Functional classification and program		Conduct of research and development			Increase in research and development plant		
		1954 actual	1955 estimate	1956 estimate	1954 actual	1955 estimate	1956 estimate
050	Major national security:						
	Production and weapons	\$96.0	\$87.1	\$97.0	\$4.2	\$9.7	\$8.3
	Reactor development.....	70.6	84.9	112.6	23.2	18.3	27.8
	Physical research.....	38.4	39.8	43.4	4.3	9.7	13.6
	Biology and medicine.....	24.5	26.5	26.4	1.5	1.3	3.5
	Equipment not included above.....				11.6	11.4	11.4
	Total.....	229.5	238.3	279.4	44.8	50.4	64.6

The production and weapons research programs consist largely of work in the physical sciences and engineering to devise more efficient production processes and equipment, and improved and varied types of weapons.

Work in reactor development is devoted primarily to producing useful power from atomic reactors, both for the generation of industrial electric energy and for propulsion of naval ships and military aircraft. Substantially increased emphasis will be given in 1956 to the development of industrial atomic power at economic rates. More extensive cooperation between Government and industry in power reactor development is expected to speed accomplishment of this objective. Development of naval and aircraft propulsion reactors and small stationary power reactors is carried on in response to military needs. General development work on reactor materials and components, heat transfer systems, and related problems supplements the work on specific reactor designs and yields knowledge applicable to many reactor designs. Construction of experimental models and prototypes contributing to the development of specific reactor designs will increase in 1956.

The program of research in the physical sciences supports the Commission's immediate and longer-range objectives for utilizing nuclear energy. This research helps to provide a fundamental understanding of nuclear structure and forces. Basic to this effort is the development and operation of particle accelerators, including machines of very high energies. Expenditures for the construction of such machines will increase in 1956. Exploration is also made into the chemical, physical, and metallurgical properties of materials used in the Commission's program.

In the fields of biology and medicine, the research and development work of the Commission is devoted primarily to protecting the health and safety of personnel employed in the atomic energy program; safeguarding the Nation against radiation hazards peculiar to atomic energy operations; and exploiting the use of nuclear phenomena and radioisotopes in the biological and medical sciences for the general welfare. To facilitate this research, construction will begin in 1956 on a medical research center, including a medical reactor, which will replace the existing center at the Brookhaven National Laboratory, Upton, Long Island.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

The National Advisory Committee for Aeronautics conducts basic and applied research in the fields of aerodynamics, powerplants, aircraft structures, and aircraft operating problems.

TABLE 9.—*Expenditures of the National Advisory Committee on Aeronautics for research and development*

(In millions)

Functional classification	1954 actual	1955 estimate	1956 estimate
450 Commerce and manpower.....	\$89.5	\$72.0	\$76.0

This research is performed primarily in support of the military aircraft and guided missiles program of the Department of Defense, although much of it will also contribute ultimately to improving the performance and safety of commercial aviation. In addition, part of the Committee's current effort is devoted to resolving specific problems in connection with particular military aircraft, missiles, and engines. In order to provide additional effort in certain fields of critical military importance, an increase in expenditures for the conduct of research is planned, beginning in the current fiscal year. The total research and development expenditures of the Committee, however, will be substantially lower than in 1954 because of a drop in expenditures for research plant.

The Committee's work is carried on principally at its three major laboratories and two flight stations, supplemented to a limited extent by research sponsored at scientific and educational institutions and other Government agencies. Three large supersonic wind tunnels, constructed at the laboratories under authority of the Unitary Wind Tunnel Plan Act of 1949, are currently being completed and will be in operation throughout the fiscal year 1956. Additional facilities are proposed to permit further investigation of nuclear propulsion problems and high-speed flight phenomena.

DEPARTMENT OF AGRICULTURE

The research program of the Department of Agriculture is concerned with the production, storage, distribution, and utilization of agricultural products and with human nutrition and home economics. This program is carried out in facilities operated by the Department, through grants to State agricultural experiment stations, and in cooperative research projects chiefly with these stations.

TABLE 10.—*Expenditures of the Department of Agriculture for research and development*

(In millions)

Functional classification	1954 actual	1955 estimate	1956 estimate
350 Agricultural and agricultural resources.....	\$53.7	\$69.3	\$78.6
400 Natural resources.....	4.5	6.0	6.2
Total, Department of Agriculture.....	58.2	75.3	84.8

The major portion of this program is administered by the Agricultural Research Service, which engages in or supports crop research, farm and land management research, livestock research, human nutrition and home economics research, and agricultural product utilization research. The only significant increase in agricultural research and development plant is in the Government research facilities now under construction at Plum Island, N. Y., for a comprehensive attack on foot-and-mouth disease and other dangerous diseases of animals.

The Agricultural Marketing Service carries on a substantial research program to study means of increasing the efficiency of distribution of agricultural commodities through better marketing practices, facilities, and equipment.

Another important research program of the Department is conducted by the Forest Service. The research has four

main purposes: to provide owners and managers with a sound basis for protection, utilization, and management of the resources of timber, range, and watershed lands; to develop measures for the protection of forests from damage by fires, insects, and diseases; to improve forest products and prevent their waste; and to develop more efficient harvesting and utilization of forest products.

Other research activities of the Department are conducted by the Farmer Cooperative Service, which assists farmer-owned cooperatives in improving their business operations; and the Foreign Agricultural Service, which seeks to enlarge foreign markets for American agricultural products.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The research and development activities of the Department place emphasis upon improvement in the health, education, and welfare of the Nation.

TABLE 11.—*Expenditures of the Department of Health, Education, and Welfare for research and development*

(In millions)

Functional classification and program	1954 actual	1955 estimate	1956 estimate
Welfare, health, and education:			
200 Social security, welfare, and health:			
Public Health Service.....	\$60.4	\$65.4	\$67.4
Other.....	1.1	1.1	1.2
300 Education and general research.....	.4	.4	.6
Commerce and manpower:			
250 Housing and community development.....		.1	.2
Total, Department of Health, Education, and Welfare.....	61.9	67.0	69.4

The principal research programs of the Department are in the Public Health Service. Research is also conducted by the Food and Drug Administration, the Office of Education, and the Social Security Administration. These functions are conducted in Federal facilities and through grants to universities and other research organizations.

The Public Health Service conducts or supports research in the diagnosis, cause, and treatment of illnesses of the population. Special emphasis upon medical and clinical research problems related to particular diseases is provided through activity conducted in the National Institutes of Health, organized as Institutes for Cancer, Heart, Mental Health, Dental Health, Arthritis and Metabolic Diseases, Microbiology, and Neurology and Blindness.

The increase in 1956 reflects further expansion of operations of the National Institutes of Health in the new clinical and laboratory facility. Research beds in use will increase from 373 at the end of the current fiscal year to 425 at the close of 1956. In addition, increases are provided for intensified research in mental health, nurse utilization studies, and water pollution.

Other units within the Public Health Service provide for research in methods to improve control of infectious and communicable diseases and such environmental health problems as sanitation, air pollution, and water pollution. Increases are provided for research in the problems of air and water pollution in 1956. The new facilities of the Robert A. Taft Sanitary Engineering Center will be available for work on these and other environmental problems. Efforts are also directed toward analysis and evaluation of professional health personnel utilization, supply and demand, and many other broad areas affecting the health of the Nation. Of the research expendi-

tures of the Public Health Service, about 60 percent is for research grants to medical schools, other institutions, and individuals. The remainder is for direct Federal research activities in Government facilities.

The Social Security Administration conducts research studies relating to children's health and welfare, retirement and old-age assistance, and social welfare. The research by the Food and Drug Administration is aimed chiefly toward development of improved test techniques and the formulation of standards of purity and safety for foods, drugs, therapeutic devices, cosmetics, and related products. The Office of Education studies major problems in the field of education, such as school facility requirements, analyses of trends in school enrollment, and educational financing. The 1956 budget includes expenditures under a new program of cooperative research in education with universities and State educational agencies.

DEPARTMENT OF COMMERCE

Research activities of the Department of Commerce are centered chiefly in the Bureau of the Census, the National Bureau of Standards, and the Maritime Administration.

TABLE 12.—*Expenditures of the Department of Commerce for research and development*

[In millions]

Functional classification	1954 actual	1955 estimate	1956 estimate
Welfare, health, and education:			
300 Education and general research.....	\$15.0	\$33.8	\$23.8
Commerce and manpower:			
450 Transportation and communica- tion.....	3.1	8.5	11.9
500 Finance, commerce, and industry..	1.0	1.0	1.2
General government:			
600 General government.....	.6	.5	.5
Total, Department of Commerce..	19.7	43.8	37.4

As the principal fact-finding and statistical agency of the Federal Government, the Bureau of the Census takes major periodic censuses of population, housing, agriculture, business, and manufactures. The Bureau also collects and compiles current data based on sample surveys in these and other fields. As part of the governmentwide program to provide better statistics, increased expenditures are anticipated in 1956 to enlarge and improve certain of the Census Bureau's current series, including those relating to the labor force, and to provide for an intercensal survey of the Nation's housing. Total expenditures for the Bureau will, however, decline in 1956 as a result of completing the collection of data for periodic economic and agriculture censuses.

The National Bureau of Standards establishes and maintains the national standards of measurement and serves as a research center of the Federal Government in the physical sciences. To meet its responsibilities for the establishment, maintenance, and improvement of fundamental standards of measurement, the Bureau conducts basic and applied research and development programs in a number of fields of physical science, including electricity and electronics, optics and metrology, atomic and radiation physics, chemistry, mechanics, mineral products, building technology, applied mathematics, and radio propagation and standards. An increase in the Bureau's expenditures is estimated for the fiscal year 1956 to enable it to serve more adequately the scientific needs of industry, Federal agencies, State and local governments, and universities.

Major emphasis is being given by the Maritime Administration in 1955 to experimental modernization of four reserve fleet Liberty ships. This work will include lengthening of hulls and installation of new types of propulsion machinery and cargo handling gear to increase

the efficiency of reserve fleet Liberty ships in the event of their need in national emergency. The 1956 budget provides for continuing these experiments and for expanding research in ship design and cargo handling. Development of a new tug prototype is also proposed.

Other research programs are administered in the Civil Aeronautics Administration, the Bureau of Public Roads, the Coast and Geodetic Survey, the Office of Business Economics, and the Bureau of Foreign Commerce.

DEPARTMENT OF THE INTERIOR

The Department of the Interior devotes its research expenditures primarily to programs of the Bureau of Mines, the Geological Survey, and the Fish and Wildlife Service.

TABLE 13.—*Expenditures of the Department of the Interior for research and development*
[In millions]

Functional classification	1954 actual	1955 estimate	1956 estimate
Natural resources:			
400 Natural resources.....	\$33.4	\$32.0	\$30.9
Commerce and manpower:			
550 Labor and manpower.....	.4	.4	.4
Total, Department of the Interior.....	33.8	32.4	31.3

The Bureau of Mines conducts research on industry problems involving coal, petroleum, natural gas, helium, and minerals; and also engages in research to improve the health and safe working conditions of miners. It investigates the coking properties of coals and uses of solid fuels including oil shale; it studies problems in the production, storage, and transportation of oil and natural gas; it investigates mineral deposits and carries on experiments to determine the most economical methods of treating marginal ores; and it seeks to improve the utilization of minerals and metals in plentiful supply and to develop substitutes for those in short supply.

Research by the Geological Survey is directed toward studies of mineral, mineral fuel, and water resources through field and laboratory research. A primary objective is the discovery and development of new principles and techniques which aid in the search for and full recovery of the Nation's mineral resources.

The Fish and Wildlife Service makes basic studies of the fish and wildlife resources of the Nation and the surrounding waters. It undertakes research to develop more effective methods of increasing the production of various species and of providing protection against unlimited exploitation and depletion of these resources.

Other research programs of the Department devoted to the conservation and development of our natural resources are administered by the Bonneville Power Administration, the Bureau of Reclamation, and the National Park Service.

NATIONAL SCIENCE FOUNDATION

Basic research is supported by the National Science Foundation in the mathematical, physical, medical, biological, engineering, and other sciences through a program of research grants. These grants are made to educational, industrial, governmental, and other research institutions or to individuals. The 1956 budget proposes a strengthening of basic research support through the Foundation in recognition of the urgent need for such research as a basis for future technological progress. The Congress recognized the need for increasing support of research by the Foundation by removing in the fiscal year 1954 the previous limitation of \$15 million on annual appropriations.

TABLE 14.—*Expenditures of the National Science Foundation for research and development*

[In millions]

Functional classification	1954 actual	1955 estimate	1956 estimate
Welfare, health, and education: 300 Education and general research.....	\$4.3	\$7.3	\$17.4

Executive Order 10521, issued March 17, 1954, focuses in the Foundation principal responsibility for support of general purpose basic research by the Federal Government. The order also emphasizes the responsibility of the Foundation to continue studies of the scientific activities of the country, as a basis for recommending to the President policies regarding the role of the Government in the conduct and support of scientific research.

In addition to its regular research activities, the Foundation is providing support for the United States program for the International Geophysical Year scheduled for 1957-58, a worldwide scientific undertaking involving concurrent research in geophysics by more than 30 nations. This undertaking involves securing and sharing on a multilateral basis scientific data which will assist our own technological advancement in such fields as weather forecasting and control, radio communications, navigation, and upper atmosphere flight. The United States program will be generally confined to the Western Hemisphere, including an anticipated expedition to the Antarctic. The expenditures in 1955 and 1956 reflect primarily advance procurement of major equipment and supply items which are needed to carry out the United States program.

GENERAL SERVICES ADMINISTRATION

Using funds available to the President under the Defense Production Act, the General Services Administration places contracts, primarily with private industry, for research and development to expand the supply of strategic and critical raw materials such as titanium and nickel. Small amounts are spent directly from General Services Administration appropriations for research in abaca fiber production.

TABLE 15.—*Expenditures of the General Services Administration for research and development*

[In millions]

Functional classification	1954 actual	1955 estimate	1956 estimate
Commerce and manpower: 500 Finance, commerce, and industry: From funds appropriated to the President for expansion of de- fense production.....	\$1.8	\$6.9	\$14.0
Abaca fiber program.....		.1	.1
Total.....	1.8	7.0	14.1

Included in the research program for expansion of defense production are geological investigations of mineral deposits; methods of processing low-grade ores; development of substitutes for materials in short supply; and pilot plant testing of new processes for producing strategic and critical materials.

DEPARTMENT OF LABOR

The research of the Department of Labor is centered in the Bureau of Labor Statistics which collects, analyzes,

and publishes labor and economic statistics on manpower and employment, prices and cost of living, wages and industrial relations, housing and public construction, measurement of productivity, industrial injuries, and foreign labor conditions. Additional expenditures in 1956 are principally attributable to expanded studies on the subjects of employment and unemployment.

TABLE 16.—*Expenditures of the Department of Labor for research and development*

[In millions]

Functional classification	1954 actual	1955 estimate	1956 estimate
Commerce and manpower: 550 Labor and manpower.....	\$5.6	\$5.5	\$6.9

TREASURY DEPARTMENT AND RECONSTRUCTION FINANCE CORPORATION

The research and development work of the Treasury Department is largely in the Federal Facilities Corporation. The Corporation engages in a program to maintain a technologically advanced and rapidly expandable domestic synthetic rubber producing industry adequate for national defense and essential civilian requirements. This program was previously administered by the Reconstruction Finance Corporation and expenditures in the fiscal year 1954 are shown for the earlier corporation. The Coast Guard and the Bureau of Engraving and Printing also make expenditures for research and development.

TABLE 17.—*Expenditures of the Treasury Department and Reconstruction Finance Corporation for research and development*

[In millions]

Functional classification	1954 actual	1955 estimate	1956 estimate
Commerce and manpower: 450 Transportation and communica- tion.....	\$0.3	\$0.3	\$0.3
500 Finance, commerce, and industry.....	4.8	4.2	4.2
General government: 600 General government.....	.2	.2	.2
Total, Treasury Department and Re- construction Finance Corporation.....	5.3	4.7	4.7

TENNESSEE VALLEY AUTHORITY

The Tennessee Valley Authority conducts research to aid in the unified development of the resources of the Tennessee Valley region, to develop and test new or improved chemical fertilizers, and to improve the efficiency of its manufacturing and other operations.

TABLE 18.—*Expenditures of the Tennessee Valley Authority for research and development*

[In millions]

Functional classification	1954 actual	1955 estimate	1956 estimate
400 Natural resources.....	\$2.2	\$2.1	\$2.2

OTHER AGENCIES

A number of other Federal agencies also conduct programs of research so that they may better perform their responsibilities. These include the Post Office Department, the Federal Civil Defense Administration, the United States Information Agency, the Federal Communications Commission, the Interstate Commerce Commission, the Smithsonian Institution, the Tariff Commission, and the Advisory Committee on Weather Control.

SPECIAL ANALYSIS H—Continued

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

NET BUDGET EXPENDITURES FOR CONDUCT OF RESEARCH AND DEVELOPMENT AND INCREASE OF RESEARCH AND DEVELOPMENT PLANT

Function, agency, and program	Functional code No.	EXPENDITURES		
		1954 actual	1955 estimate	1956 estimate
MAJOR NATIONAL SECURITY				
Department of Defense—Military Functions:				
Office of the Secretary of Defense ¹	051			\$5,000,000
Department of the Air Force ¹	052	\$597,981,000	\$604,000,000	655,000,000
Department of the Army ¹	053	426,293,000	407,000,000	407,000,000
Department of the Navy ¹	054	505,738,000	446,000,000	451,933,000
Atomic Energy Commission ¹	056	274,310,000	288,672,000	344,002,000
Total, major national security.....		1,804,322,000	1,745,672,000	1,862,935,000
VETERANS' SERVICES AND BENEFITS				
Veterans Administration.....	105	5,130,038	5,224,000	5,870,000
INTERNATIONAL AFFAIRS AND FINANCE				
Tariff Commission.....	151	102,000	102,000	102,000
United States Information Agency.....	153	646,594	630,666	839,485
Department of State.....	153	500,000		
Total, international affairs and finance.....		1,248,594	732,666	941,485
WELFARE, HEALTH, AND EDUCATION				
SOCIAL SECURITY, WELFARE, AND HEALTH				
Department of Health, Education, and Welfare:				
Social Security Administration:				
Bureau of Public Assistance.....	202	94,000	90,000	90,000
Office of Commissioner.....	202	78,400	76,500	82,000
Children's Bureau.....	203	92,933	99,495	125,738
Office of Vocational Rehabilitation.....	203	2,400	2,400	7,000
Food and Drug Administration.....	206	856,000	855,000	930,000
Public Health Service ¹	206	60,419,105	65,402,637	67,431,000
Total, social security, welfare, and health.....		61,542,838	66,526,032	68,665,738
EDUCATION AND GENERAL RESEARCH				
Department of Health, Education, and Welfare: Office of Education.....	301	388,000	394,000	603,000
Smithsonian Institution.....	303	252,065	233,586	218,099
National Science Foundation ¹	304	4,319,000	7,284,000	17,406,000
General Services Administration ¹	304	1,546		
Department of Commerce:				
Bureau of the Census.....	304	8,708,663	29,385,644	18,527,733
National Bureau of Standards ¹	304	6,293,330	4,365,486	5,276,000
Total, education and general research.....		19,962,604	41,662,716	42,030,832
Total, welfare, health, and education.....		81,505,442	108,188,748	110,696,570
AGRICULTURE AND AGRICULTURAL RESOURCES				
Department of Agriculture:				
Agricultural Research Service ¹	355	46,986,487	61,403,328	69,791,128
Farmer Cooperative Service.....	355	265,000	265,000	265,000
Agricultural Marketing Service.....	355	5,860,568	6,924,825	7,888,920
Foreign Agricultural Service.....	355	335,000	480,000	455,000
Library.....	355	207,000	207,000	207,000
Total, agriculture and agricultural resources.....		53,654,055	69,280,153	78,637,048
NATURAL RESOURCES				
Tennessee Valley Authority.....	401	2,171,129	2,143,000	2,171,000
Department of Defense—Civil Functions.....	401	391,100	295,400	1,455,000
Department of the Interior:				
Office of the Secretary.....	401	179,610	450,000	400,000
Bureau of Reclamation ¹	401	238,000	189,000	164,000
Department of Agriculture: Forest Service.....	402	4,480,999	5,980,000	6,150,000
Department of the Interior:				
Bureau of Mines ¹	403	18,033,803	14,768,161	13,295,098
Fish and Wildlife Service ¹	404	5,087,876	7,824,100	8,122,600

Function, agency, and program	Functional code No.	EXPENDITURES		
		1954 actual	1955 estimate	1956 estimate
NATURAL RESOURCES—Con.				
Department of the Interior—Con.				
National Park Service.....	405	\$221,195	\$127,895	\$186,820
Geological Survey ¹	409	9,639,735	8,600,000	8,700,000
Total, natural resources.....		40,443,447	40,377,556	40,644,518
COMMERCE AND MAN-POWER				
TRANSPORTATION AND COMMUNICATION				
Department of Commerce: Maritime activities.....	451		4,840,000	8,625,000
Treasury Department: Coast Guard.....	452	318,000	340,000	333,000
Department of Commerce:				
Bureau of Public Roads ¹	453	760,218	926,457	898,200
Civil Aeronautics Administration.....	454	1,928,676	1,745,000	1,738,000
National Advisory Committee on Aeronautics ¹	454	89,515,996	72,000,000	76,000,000
Interstate Commerce Commission.....	455	159,161	157,246	157,220
Department of Commerce: Coast and Geodetic Survey ¹	456	449,538	944,653	622,628
Post Office Department.....	457	375,824	466,154	754,303
Federal Communications Commission.....	458	189,000	204,000	202,000
Total, transportation and communication.....		93,696,413	81,623,510	89,330,351
HOUSING AND COMMUNITY DEVELOPMENT				
Housing and Home Finance Agency.....	253	124,741		
Federal Civil Defense Administration.....	256	114,403	750,000	650,000
Department of Health, Education, and Welfare: Office of the Secretary.....	256		143,000	201,000
Total, housing and community development.....		239,144	893,000	851,000
FINANCE, COMMERCE, AND INDUSTRY				
Department of Commerce:				
Bureau of Foreign Commerce.....	503		148,845	167,084
Office of Business Economics.....	503		873,000	997,000
Bureau of Foreign and Domestic Commerce.....	503	1,004,104		
General Services Administration:				
From funds appropriated to the President for expansion of defense production ¹	506	1,829,764	6,930,100	14,038,000
Abaca fiber program.....	506		100,000	120,000
Reconstruction Finance Corporation.....	506	4,804,430		
Treasury Department: Office of the Secretary.....	506		4,200,000	4,200,000
Total, finance, commerce, and industry.....		7,638,298	12,251,945	19,522,084
LABOR AND MANPOWER				
Department of the Interior: Bureau of Mines.....	553	398,000	426,000	429,000
Department of Labor:				
Women's Bureau.....	553	128,414	124,159	125,683
Bureau of Labor Statistics.....	554	5,480,959	5,359,233	6,773,200
Total, labor and manpower.....		6,007,373	5,909,392	7,327,883
Total, commerce and manpower.....		107,581,228	100,677,847	117,031,318
GENERAL GOVERNMENT				
Advisory Committee on Weather Control.....	603		114,000	286,000
Treasury Department: Bureau of Engraving and Printing.....	604	182,000	166,000	154,000
Department of Commerce: Weather Bureau.....	610	600,000	545,000	538,000
Total, general government.....		782,000	825,000	978,000
Total, all functions.....		2,094,666,804	2,070,977,970	2,217,733,939

¹ Includes expenditures for increase of research and development plant.

SPECIAL ANALYSIS H—Continued

FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS—Continued

NET BUDGET EXPENDITURES FOR INCREASE OF RESEARCH AND DEVELOPMENT PLANT

Function, agency, and program	Functional code No.	EXPENDITURES		
		1954 actual	1955 estimate	1956 estimate
MAJOR NATIONAL SECURITY				
Department of Defense—Military Functions:				
Department of the Air Force-----	052	\$84,690,000	\$100,000,000	\$105,000,000
Department of the Army-----	053	30,538,000	35,000,000	25,000,000
Department of the Navy-----	054	29,973,000	15,000,000	20,000,000
Atomic Energy Commission-----	056	44,758,000	50,385,000	64,600,000
Total, major national security-----		189,959,000	200,385,000	214,600,000
WELFARE, HEALTH, AND EDUCATION				
SOCIAL SECURITY, WELFARE, AND HEALTH				
Department of Health, Education, and Welfare: Public Health Service-----	206	11,126,721	6,560,637	2,900,000
EDUCATION AND GENERAL RESEARCH				
National Science Foundation-----	304		188,000	885,000
Department of Commerce: National Bureau of Standards-----	304	2,578,796	608,486	269,000
General Services Administration-----	304	1,546		
Total, education and general research-----		2,580,342	796,486	1,154,000
Total, welfare, health, and education-----		13,707,063	7,357,123	4,054,000
AGRICULTURE AND AGRICULTURAL RESOURCES				
Department of Agriculture: Agricultural Research Service-----	355	494,909	5,050,000	4,823,576

Function, agency, and program	Functional code No.	EXPENDITURES		
		1954 actual	1955 estimate	1956 estimate
NATURAL RESOURCES				
Department of the Interior:				
Bureau of Reclamation-----	401	\$22,000	\$25,000	\$17,000
Bureau of Mines-----	403	2,367,869	392,440	200,000
Fish and Wildlife Service-----	404	82,000	523,000	100,000
Geological Survey-----	409	639,735	235,000	275,000
Total, natural resources-----		3,111,604	1,175,440	592,000
COMMERCE AND MANPOWER				
TRANSPORTATION AND COMMUNICATION				
National Advisory Committee on Aeronautics-----	454	41,940,788	23,075,000	18,625,000
Department of Commerce:				
Coast and Geodetic Survey-----	456	7,882	527,866	214,252
Bureau of Public Roads-----	453		32,153	
Total, transportation and communication-----		41,948,670	23,635,019	18,839,252
FINANCE, COMMERCE, AND INDUSTRY				
General Services Administration: From funds appropriated to the President for expansion of defense production-----	506	929,372	4,179,700	8,350,000
Total, commerce and manpower-----		42,878,042	27,814,719	27,189,252
Total, all functions-----		250,150,618	241,782,282	251,258,828

SPECIAL ANALYSIS I
FEDERAL ECONOMIC STATISTICAL PROGRAMS

This analysis presents the current and recommended levels of the major economic statistical programs of the Federal Government. It is intended to facilitate evaluation of the overall system of Government statistics by specific subject-matter areas and to show the proposed changes in the budget recommendations for the fiscal year 1956 for statistics of employment and unemployment, construction and housing, and other important areas of economic conditions or activities.

A sound and balanced statistical system is a necessary basis for sound administrative policies. The needs of business, agriculture, labor, and Government for accurate and prompt knowledge of the ebbs and flows in all major areas of our economic life require improvement and strengthening of our basic system of statistical intelligence.

CURRENT PROGRAMS

For a number of years the current programs of the statistical agencies have operated at a nearly fixed level, despite increases in operating costs. There have been no major expansions in these programs to keep pace with the demands for improved measures of changing economic conditions, although the major economic censuses, which are essential as benchmarks, were initiated in the fiscal year 1955. To meet the demands for better current measures, for the fiscal year 1956 the budget provides increases amounting to \$4.8 million, as shown in the following summary:

Direct obligations for major current statistical programs, by broad subject areas
[In millions]

Program	1954 actual	1955 estimate	1956 estimate
Employment and unemployment, wages, industrial injuries.....	\$4.9	\$4.9	\$6.8
Prices and price indexes.....	1.6	1.7	2.0
Construction and housing.....	0.5	0.5	1.5
Production and distribution.....	14.5	15.7	16.6
Population and vital statistics.....	11.5	1.5	1.6
National income and analysis of business trends: State and local governments.....	3.2	3.1	3.5
Electronic equipment development.....			0.2
Total, major current programs.....	26.2	27.4	32.2

This table does not include all the current statistical programs of the Government. Many of the Government's statistical activities, including some which contribute to our overall system of economic information, are closely tied to and frequently part of administrative operations—for example, reporting activities which arise from the unemployment insurance operations of the Bureau of Employment Security. The agencies whose programs are included, in whole or in part, in this subject-matter summary are shown in the table at the end of this special analysis.

Employment and unemployment, wages, industrial injuries.—The number of persons employed, their hours of work and wages, and the number of those looking for work are of concern to the Government in formulating policy and to businessmen, labor groups, and the general public as a guide in making many day-to-day economic decisions. Information on labor turnover (industrial hires, lay-offs, and quits) throws additional light on the current economic situation.

One of the problems of most concern in recent months has been the nature of the impact of unemployment during the period of adjustment from an unusually high level of defense spending. The need for greater detail on the labor force, further improvement of statistics on the extent and incidence of unemployment, and more information on the employment situation and outlook in specific areas has been made apparent during the transition period. Increases are recommended for the fiscal year 1956 to enable the Bureau of the Census and the Bureau of Labor Statistics to strengthen their respective programs in this vital area.

Provision is also made for some extension in the fiscal year 1956 of the industry and community wage surveys conducted by the Bureau of Labor Statistics, and for expansion of the BLS statistics on industrial accidents to increase their usefulness in promoting safety.

Prices and price indexes.—The collection of price data and the computation of indexes of prices and the cost of living are a basic element in our system of economic intelligence. The statistical series currently maintained in this area by the Bureau of Labor Statistics and the Department of Agriculture are of strategic importance in many different connections—notably, for example, use of the BLS consumer price index as a factor in setting wage rates for millions of workers, and use of agricultural price indexes in determining parity ratios.

Postwar revisions have been completed of the BLS consumer price index and wholesale price index. For the fiscal year 1956 the budget includes a major survey by the Agricultural Marketing Service to obtain the present pattern of farmers' expenditures to determine if there is need for revising or reweighting the index of prices paid by farmers. This survey will also supply information needed for analysis of many farm problems.

Construction and housing.—Construction is a major economic activity, carried on by thousands of small builders scattered throughout the Nation. Because of its sensitivity to economic conditions and the dependence placed upon it by so many related activities, adequate information on construction is of key significance in appraising economic trends. Estimates now available are limited to the number of new nonfarm dwelling units started and the dollar volume of all new construction activity. The latter series is based on scattered data and can be relied on to reflect only long-term trends or substantial changes in the activity.

For the fiscal year 1956 the budget includes a major increase for the construction statistics program of the Business and Defense Services Administration, to improve the soundness and reliability of the new-construction activity series and to permit compilation of data on expenditures for alterations and repairs and on residential vacancies. Provision is also made for the Bureau of Labor Statistics to obtain statistics on characteristics of new housing being built and on the organization and structure of the home-building industry, and to initiate studies of materials and labor requirements for construction.

In addition to the increase for this area included under Current Programs, the budget for the fiscal year 1956 provides for an intercensal housing survey, as noted below under Periodic Census Programs.

Production and distribution.—The broad area of production and distribution includes work of the Department of Agriculture on farm economics, market research, crop and livestock estimates, and related subjects, and work of other agencies—primarily the Bureau of the Census—on current business and industrial statistics, foreign trade and shipping, and related matters.

Farm production costs and farming methods have drastically changed under the impact of new technology, and the survey of present patterns of farmers' expenditures proposed for 1956 will aid in analysis of farm income and farm practices. Provision is also made in the Agricultural Marketing Service for further market research and improvements in the accuracy of the estimates and forecasts of crop and livestock production. In the Agricultural Research Service, the budget provides for further work in the fiscal year 1956 on the economics of production, designed to develop information to help improve farm practices.

The 1956 budget also provides for annual sample surveys of retail trade and manufacturing activity by the Bureau of the Census.

Population and vital statistics.—The only increase provided in this area for the fiscal year 1956 is recommended to enable the National Office of Vital Statistics to reduce the time lag in publishing reports of vital statistics. The increase in the number of certificates of births and other vital events to be processed and tabulated has resulted in excessive time lags in the publication of these reports.

National income and analysis of business trends; State and local governments.—The Office of Business Economics in the Department of Commerce is responsible for making estimates of the national income and gross national product and other national accounts. A small increase is included in the budget for the fiscal year 1956 for the work of this office on analysis of national economic trends, primarily to provide for use in the national income-product accounts of the results of the business censuses being taken this year.

The quarterly financial reports program, which collects income statements and balance sheets from manufacturing corporations, is one of the important analytic tools for determining present and prospective levels of economic activity. This program is conducted jointly by the Federal Trade Commission and the Securities and Exchange Commission. For the fiscal year 1956 the budget provides for increasing the usefulness of this program by enlarging its scope to include mining and trade corporations.

Tabulations of income tax returns by the Internal Revenue Service are used as benchmarks for most current series on the financial condition of business and for major components of the national income and product accounts.

State and local governments in toto represent an important segment of the national economy, spending over \$30 billion a year. For the fiscal year 1956 the budget provides for filling a gap in our information in this area by including funds for the Bureau of the Census to develop annual State-by-State estimates of expenditures, receipts, and changes in debt of State and local governments.

Electronic equipment development.—Efforts in the fiscal year 1956 directed toward developing specialized electronic equipment for use in the censuses of business, manufactures, and mineral industries scheduled for 1958 and the

censuses of population, housing, and agriculture scheduled for 1960 will result in significant reductions in the costs of these censuses and in the time required between enumeration and publication of many of the basic tabulations. Funds for development of this equipment are included in the regular 1956 budget for the Bureau of the Census.

PERIODIC CENSUS PROGRAMS

Censuses of agriculture, business (wholesale and retail trade and the service trades), manufactures, and mineral industries are scheduled at 5-year intervals. These periodic canvasses of all establishments and farms are important to business and agriculture and serve as benchmarks by means of which the accuracy of many Government and private statistical series is maintained, and the trends shown by current series are evaluated. The major costs of the present censuses, which cover the calendar year 1954, were provided for in the appropriations enacted for the fiscal year 1955. The budget for the fiscal year 1956 includes funds for the completion of these censuses.

An intercensal housing survey to be made by the Bureau of the Census is also included in the budget for the fiscal year 1956. This survey will obtain needed information on the number and characteristics of the Nation's housing units, and on changes in the amount of housing since the 1950 decennial census of housing.

Direct obligations for major economic statistical programs, by agency

[In millions]

Agency	1954 actual	1955 estimate	1956 estimate
CURRENT PROGRAMS			
Department of Agriculture:			
Agricultural Marketing Service: Marketing research and agricultural estimates.....	\$8.4	\$10.2	\$11.0
Agricultural Research Service: Economics of production, included under farm and land management research.....	1.3	1.4	1.5
Department of Commerce:			
Bureau of the Census.....	6.8	6.2	7.4
Business and Defense Services Administration: Construction statistics, included under industry divisions.....	0.1	0.1	0.9
Office of Business Economics.....	0.9	0.9	1.0
Department of Health, Education, and Welfare: Public Health Service: National Office of Vital Statistics.....	1.3	1.3	1.4
Department of Labor: Bureau of Labor Statistics.....	5.5	5.4	6.8
Department of the Treasury: Internal Revenue Service: Statistical reporting.....	1.6	1.7	1.7
Federal Trade Commission: Financial reports, included under economic and financial reports.....	0.1	0.1	0.3
Securities and Exchange Commission: Preparation of operational and business statistics.....	0.2	0.1	0.2
Total, current programs.....	26.2	27.4	32.2
PERIODIC CENSUS PROGRAMS			
Department of Commerce: Bureau of the Census:			
Census of agriculture.....		16.0	6.0
Censuses of business, manufactures, and mineral industries.....		8.4	4.7
Intercensal housing survey.....			0.5
Spot checks of business, manufactures, and agriculture.....	1.5		
Total, periodic census programs.....	1.5	24.4	11.2
Total, major economic statistical programs.....	27.7	51.8	43.4

SPECIAL ANALYSIS J
SELECTED INVESTMENT AND INTERFUND TRANSACTIONS
BY AGENCY AND ACCOUNT TITLE

Description	1954 actual	1955 estimate	1956 estimate
INVESTMENTS OF GOVERNMENT AGENCIES IN UNITED STATES SECURITIES			
Revolving funds:			
Independent offices:			
Farm Credit Administration:			
Federal intermediate credit banks.....	• \$1,319,500	\$7,000,000	.....
Production credit corporations.....	• 2,831,850	• 2,202,000	• \$1,731,000
Veterans Administration: Veterans' special-term insurance fund.....	2,600,000	5,750,000	10,000,000
Housing and Home Finance Agency:			
Home Loan Bank Board: Federal Savings and Loan Insurance Corporation.....	10,700,000	13,250,000	14,500,000
Federal Housing Administration.....	• 86,100,000	121,150,000	49,350,000
Total.....	• 76,951,350	144,948,000	72,119,000
Trust funds:			
Independent offices:			
Civil Service Commission: Civil-service retirement and disability fund.....	253,228,000	255,001,000	238,784,000
Railroad Retirement Board: Railroad retirement account.....	202,452,000	143,245,000	137,538,000
Veterans Administration:			
Adjusted-service certificate fund.....	• 470,000	• 4,000	2,000
General post fund, national homes.....	200,000	.....	200,000
National service life insurance fund.....	23,000,000	40,000,000	116,000,000
United States Government life insurance fund.....	• 65,000,000	• 9,000,000	• 12,000,000
General Services Administration: American National Red Cross, District of Columbia Chapter Building.....			
.....	• 17,724	• 38,496	.....
Department of Commerce: United States Merchant Marine Academy, Kings Point, N. Y., donations for chapel and library.....	.....	300,000	10,000
Department of Labor: Bureau of Employees' Compensation; Relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act, as amended.....	69,425	30,000	30,000
Department of State: Foreign Service retirement and disability fund.....	• 900,500	7,174,725	• 235,968
Treasury Department:			
Office of the Secretary:			
Federal old-age and survivors insurance trust fund.....	1,522,705,000	1,962,907,750	1,850,000,000
Unemployment trust fund.....	• 248,000,000	• 209,000,000	221,000,000
Bureau of Accounts: Payment of pre-1934 bonds of the Government of the Philippines..	• 1,004,000	.....	.....
District of Columbia:			
Public works and other general funds.....	• 3,035,000	.....	.....
Motor vehicle parking fund.....	343,000	.....	.....
Highway fund.....	978,000	.....	.....
Teachers' retirement and annuity fund.....	1,700,000	1,490,000	1,500,000
Total.....	1,686,248,201	2,192,105,979	2,552,828,032
Total, investments of Government agencies in United States securities (net).....	1,609,296,851	2,337,053,979	2,624,947,032
ISSUANCE (-) AND REDEMPTION (+) OF DEBT OF GOVERNMENT ENTERPRISES TO THE PUBLIC			
Revolving funds:			
Independent offices: Farm Credit Administration:			
Federal Farm Mortgage Corporation.....	\$51,400	\$50,000	\$50,000
Federal intermediate credit banks.....	43,785,000	-35,175,000	-37,440,000
Housing and Home Finance Agency:			
Federal National Mortgage Association: Special assistance and management and liquidating functions.....	.....	-750,000,000	-750,000,000
Home Owners' Loan Corporation.....	116,250	115,000	115,000
Federal Housing Administration.....	-29,533,700	30,677,500	19,371,500
Total.....	14,418,950	-754,332,500	-767,903,500
Trust revolving fund:			
Housing and Home Finance Agency: Federal National Mortgage Association: Secondary mortgage operations.....	.....	.....	-59,500,000
Total issuance (-) and redemption (+) of debt of Government enterprises to the public.....	14,418,950	-754,332,500	-827,403,500

• Deduct, excess of sales and redemptions over investments.

SPECIAL ANALYSIS J—Continued
 SELECTED INVESTMENT AND INTERFUND TRANSACTIONS—Continued
 BY AGENCY AND ACCOUNT TITLE—Continued

Description	1954 actual	1955 estimate	1956 estimate
CAPITAL TRANSFERS FROM EXPENDITURE TO RECEIPT ACCOUNTS			
Legislative branch: Government Printing Office: Government Printing Office revolving fund:			
Payment of earnings to Treasury.....	\$1,840,011	\$2,901,361	\$2,000,000
Repayment of principal to Treasury.....	5,000,000		
Independent offices:			
Civil Service Commission: Investigations:			
Payment of earnings to Treasury.....		19,504	
Repayment of principal to Treasury.....	1,382	154	
Export-Import Bank of Washington:			
Capital fund: Payment of dividends to Treasury.....	22,500,000	22,500,000	22,500,000
Liquidation of certain Reconstruction Finance Corporation assets: Repayment of investment to Treasury.....		150,864	150,000
Farm Credit Administration: Federal Farm Mortgage Corporation: Payment of dividends to Treasury.....	7,000,000	4,000,000	
Reconstruction Finance Corporation:			
Liquidation of World War II assets and production programs: Repayment of investment to Treasury.....	180,000,000		
Smaller War Plants Corporation program: Repayment of investment to Treasury.....	1,200,000		
Tennessee Valley Authority: Repayment of investment to Treasury.....	19,676,977	40,465,224	51,982,000
Veterans Administration:			
Canteen service revolving fund: Repayment of investment to Treasury.....		652,392	519,046
Direct loans to veterans and reserves: Repayment of investment to Treasury.....			20,000,000
Rental, maintenance, and repair of quarters: Payment of profits to Treasury.....	368	500	500
Supply fund: Repayment of principal to Treasury.....	8,000,000		
Veterans special term insurance fund: Repayment of investment to Treasury.....		250,000	
Vocational rehabilitation revolving fund: Payment of profits to Treasury.....		6,133	
General Services Administration:			
Buildings management fund: Payment of earnings to Treasury.....	412,187		
Cost of maintenance, repair, etc., of improvements, public buildings: Payment of profits to Treasury.....	389,311	499,038	470,000
General supply fund: Payment of earnings to Treasury.....	2,651,059	821,750	
Maintenance, etc., Lafayette Building, Washington, D. C., public buildings: Payment of profits to Treasury.....	40,652	42,372	38,000
Working capital fund: Payment of earnings to Treasury.....	3,015	4,943	4,927
Housing and Home Finance Agency:			
Office of the Administrator: Revolving fund (liquidating programs): Repayment of investment to Treasury.....	35,216,287	75,000,000	59,000,000
Home Loan Bank Board:			
Federal Savings and Loan Insurance Corporation:			
Repayment of capital stock to Treasury.....	8,768,000	10,208,000	12,137,000
Payment of return on capital stock to Treasury.....	1,727,476	1,546,466	1,346,200
Expenses, liquidation of Home Owners' Loan Corporation: Payment of profits to Treasury.....	30,061		
Federal Housing Administration: Repayment of investment to Treasury.....	65,613,650	34,588	
Department of Commerce: Office of the Secretary:			
Defense production guaranties: Payment of profits to Treasury.....		5,905	
Working capital fund: Payment of earnings to Treasury.....		100,000	
Department of Defense—Civil Functions: Department of the Army:			
Canal Zone Government: Postal service: Repayment of investment to Treasury.....	40,078		
Panama Canal Company: Repayment of investment to Treasury.....		10,000,000	
Department of Health, Education, and Welfare:			
Social Security Administration: Operating fund, Bureau of Federal Credit Unions: Repayment of investment to Treasury.....			25,000
Office of the Secretary: Working capital fund: Payment of earnings to Treasury.....		20,000	
Department of the Interior: Bureau of Reclamation: Continuing fund for emergency expenses, Fort Peck project, Montana: Payment of profits to Treasury.....	1,302,992	1,723,080	2,281,550
Department of Justice: Federal Prison Industries, Inc.: Payment of dividends to Treasury.....	2,750,000	2,100,000	2,000,000
Treasury Department:			
Office of the Secretary:			
Federal Facilities Corporation: Repayment of investment to Treasury.....		193,200,500	37,334,105
Liquidation of Reconstruction Finance Corporation:			
Lending program:			
Repayment of capital stock to Treasury.....			40,000,000
Repayment of investment to Treasury.....		210,288,019	87,340,087
Liquidation of World War II assets and production programs: Repayment of investment to Treasury.....		8,926,106	10,797,000
Smaller War Plants Corporation program: Repayment of investment to Treasury.....			600,000
Bureau of Engraving and Printing: Bureau of Engraving and Printing fund: Payment of earnings to Treasury.....	176,118	42,737	
Total, capital transfers from expenditure to receipt accounts.....	364,339,624	585,509,636	350,525,415

SPECIAL ANALYSIS K
COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES BY FUNCTION

FISCAL YEARS 1947 THROUGH 1956

Based on existing and proposed legislation

[In millions]

Description	Actual								Estimate	
	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
BUDGET RECEIPTS										
Individual income taxes.....	\$19,629	\$20,997	\$17,929	\$17,408	\$23,365	\$29,880	\$32,768	\$32,383	\$30,700	\$32,500
Corporation income and excess-profits taxes.....	9,676	10,174	11,554	10,854	14,388	21,467	21,595	21,523	18,466	17,034
Excise taxes.....	7,270	7,402	7,551	7,597	8,693	8,893	9,934	10,014	9,073	9,350
Employment taxes.....	2,039	2,396	2,487	2,892	3,940	4,573	4,983	5,425	6,080	7,095
Estate and gift taxes.....	779	899	797	706	730	833	891	945	930	970
Customs.....	494	422	384	423	624	550	613	562	570	570
Miscellaneous receipts.....	4,621	3,809	2,072	1,430	1,629	1,803	¹ 1,865	¹ 2,320	2,302	2,486
Deduct—										
Appropriation to Federal old-age and survivors insurance trust fund..	1,459	1,616	1,690	2,106	3,120	3,569	4,086	4,537	5,190	6,175
Appropriation to Railroad Retirement account, excluding military service credits.....	256	723	550	550	575	735	620	603	600	625
Refunds of receipts (excluding interest).....	3,006	2,272	2,838	2,160	2,107	2,302	3,118	3,377	3,331	3,205
Total budget receipts.....	39,787	41,488	37,696	36,495	47,568	61,393	64,825	64,655	59,000	60,000
BUDGET EXPENDITURES ²										
Major national security:										
051. Direction and coordination of defense.....			7	10	12	13	15	12	12	12 ³
052. Air Force defense.....		⁴ 1,117	⁴ 1,754	⁴ 3,600	⁴ 6,349	⁴ 12,709	15,085	15,668	15,200	15,600
053. Army defense.....	6,276	⁴ 5,345	⁴ 5,245	⁴ 3,987	⁴ 7,469	⁴ 15,635	16,242	12,910	8,900	8,850
054. Naval defense.....	5,563	4,205	4,390	4,102	5,582	10,162	11,875	11,293	9,775	9,700
055. Other central defense activities.....	2,005	209	176	192	353	379	394	452	488	588
056. Development and control of atomic energy.....	174	475	622	550	897	1,670	1,791	1,895	2,050	2,000
057. Strategic and critical materials.....	11	99	299	438	654	837	919	651	994	783
058. Military assistance.....								3,629	2,675	3,075
059. Direct forces support.....	344	262	415	130	991	2,442	3,954	12	550	600
Major national security: Department of Defense—Military Functions: Proposed legislation.....										1,000
Deduct unallocated reduction in estimates: Department of Defense—Military Functions.....										1,750
Total, major national security.....	14,373	11,771	12,907	13,008	22,306	43,848	50,274	46,522	40,644	40,458
International affairs and finance:										
151. Conduct of foreign affairs.....	113	163	158	198	190	142	150	130	116	124
152. Economic and technical development.....	6,413	4,402	5,880	4,442	3,506	2,584	1,960	1,498	1,205	1,101
153. Foreign information and exchange activities.....	4	1	15	35	40	99	106	91	99	108
Total, international affairs and finance.....	6,531	4,566	6,053	4,674	3,736	2,826	2,216	1,720	1,420	1,332
Veterans' services and benefits:										
101. Veterans' education and training.....	2,122	2,506	2,703	2,596	1,943	1,326	659	546	602	587
102. Other veterans' readjustment benefits.....	1,519	807	631	278	163	122	138	158	169	190
103. Veterans' compensation and pensions.....	1,929	2,080	2,154	2,223	2,171	2,178	2,420	2,482	2,679	2,800
104. Veterans' insurance and servicemen's indemnities.....	840	151	95	480	50	216	102	100	63	119
105. Veterans' hospitals and medical care.....	461	592	737	764	745	784	757	782	735	770
106. Other veterans' services and administration.....	510	518	405	306	270	238	223	188	182	174
Total, veterans' services and benefits.....	7,381	6,654	6,726	6,647	5,342	4,863	4,298	4,256	4,431	4,640
Welfare, health, and education:										
Social security, welfare, and health:										
201. Retirement and dependents' insurance.....	48	41	32	37	37	37	33	35		
202. Public assistance.....	653	737	923	1,125	1,187	1,180	1,332	1,439	1,447	1,422
203. Aid to special groups.....	115	119	118	139	137	152	156	158	173	188
204. Work relief and direct relief.....	3	8	9							
205. Accident compensation.....	17	15	15	24	27	36	43	44	46	47
206. Promotion of public health.....	146	139	171	242	304	328	316	288	292	338
207. Prisons and probation.....	25	23	26	24	28	23	29	26	30	32
Total, social security, welfare, and health.....	1,006	1,083	1,293	1,592	1,721	1,756	1,909	1,990	1,986	2,027

¹ Includes internal revenue not specifically classified.

² Includes adjustment to daily Treasury statement.

³ Expenditures are net of receipts of public enterprise funds. For 1949 and prior years' expenditures include investment in United States securities.

⁴ Expenditures for Army defense include some expenditures for support of the Air Force financed from 1949 and prior year appropriations.

SPECIAL ANALYSIS K—Continued
COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES BY FUNCTION—Continued
FISCAL YEARS 1947 THROUGH 1956—Continued
[In millions]

Description	Actual								Estimate	
	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
BUDGET EXPENDITURES ²—Continued										
Welfare, health, and education—Continued										
Education and general research:										
301. Promotion of education.....	\$34	\$38	\$39	\$41	\$51	\$126	\$235	\$217	\$264	\$212
302. Educational aid to special groups.....	3	3	3	5	6	6	7	6	9	12
303. Library and museum services.....	8	8	9	10	10	11	11	11	12	13
304. General-purpose research.....	21	15	23	67	48	29	25	24	45	48
Total, education and general research.....	65	65	74	122	115	171	277	258	330	285
Total, welfare, health, and education.....	1,071	1,148	1,367	1,714	1,836	1,927	2,186	2,248	2,316	2,312
Agriculture and agricultural resources:										
351. Stabilization of farm prices and farm income.....	650	•92	1,725	1,844	•461	46	2,125	1,689	2,267	1,336
352. Financing farm ownership and operation.....	•119	•3	65	146	339	272	109	256	215	170
353. Financing rural electrification and rural telephones.....	185	239	305	293	276	243	239	217	217	233
354. Conservation and development of agricultural land and water resources.....	388	285	241	337	346	341	317	244	250	320
355. Research, and other agricultural services.....	140	146	178	163	150	143	145	150	180	200
Total, agriculture and agricultural resources.....	1,243	575	2,512	2,783	650	1,045	2,936	2,557	3,130	2,259
Natural resources:										
401. Conservation and development of land and water resources.....	343	505	756	884	948	1,038	1,122	960	856	673
402. Conservation and development of forest resources.....	53	61	66	78	81	95	107	117	121	115
403. Conservation and development of mineral resources.....	19	26	29	34	36	35	38	37	45	45
404. Conservation and development of fish and wildlife.....	11	12	18	23	26	30	34	38	46	43
405. Recreational use of natural resources.....	12	17	19	24	30	33	30	33	39	50
407. Defense production activities.....					2	5	3	1		
409. General resource surveys.....	10	10	13	16	18	21	25	27	26	26
Total, natural resources.....	449	631	902	1,058	1,140	1,258	1,358	1,213	1,133	953
Commerce and manpower:										
Transportation and communication:										
451. Promotion of the merchant marine.....	• 281	183	124	100	101	230	235	153	209	192
452. Provision of navigation aids and facilities.....	244	222	289	299	301	292	332	313	325	353
453. Provision of highways.....	235	351	453	498	455	470	572	586	659	725
454. Promotion of aviation.....	121	136	191	213	222	237	239	275	274	283
455. Regulation of transportation.....	23	15	15	15	15	18	17	15	15	16
456. Other services to transportation.....	• 8	34	40	33	20	• 4	15	• 50	14	19
457. Postal service (net, general fund).....	242	304	530	593	626	740	659	312	268	24
458. Regulation of communication.....	6	6	7	7	7	7	7	7	7	7
Total, transportation and communication.....	581	1,251	1,649	1,757	1,747	1,990	2,076	1,611	1,771	1,619
Housing and community development:										
251. Public housing programs.....	413	98	42	• 37	124	148	29	• 401	• 85	34
252. Aids to private housing.....	• 117	• 58	312	305	465	506	394	• 180	290	• 159
253. Research and other general housing aids.....	13	7	1	2	4	5	19	38	44	33
254. Provision of community facilities.....	39	35	• 72	• 2	6	9	23	15	9	10
255. Urban development and redevelopment.....					2	6	21	22	56	94
256. Civil defense.....						33	51	60	62	57
258. Disaster loans and relief.....						28	12	1	11	13
Total, housing and community development.....	348	82	282	267	602	735	550	• 445	386	83
Finance, commerce, and industry:										
501. Promotion or regulation of financial institutions.....	• 61	• 16	• 8	• 6	• 9	• 24	• 3	• 10	• 10	5
503. Promotion or regulation of trade and industry.....	23	23	24	26	26	26	26	27	31	31
504. Business loans and guaranties.....	21	80	83	166	• 19	• 37	• 22	• 100	• 38	• 78
505. War-damage insurance.....	1	20								
506. Promotion of defense production and economic stabilization.....	176	• 37	11	• 81	128	162	75	216	76	116
Total, finance, commerce, and industry.....	161	71	110	106	126	127	76	134	60	73

• Deduct, excess of repayments and collections over expenditures.

² Expenditures are net of receipts of public enterprise funds. For 1949 and prior years, expenditures include investment in United States securities.

SPECIAL ANALYSIS K—Continued
COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES BY FUNCTION—Continued
FISCAL YEARS 1947 THROUGH 1956—Continued
(In millions)

Description	Actual								Estimate	
	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
BUDGET EXPENDITURES ¹—Continued										
Commerce and manpower—Continued										
Labor and manpower:										
551. Mediation and regulation of labor relations.....	\$11	\$8	\$12	\$13	\$12	\$13	\$13	\$13	\$13	\$12
552. Unemployment compensation and placement activities.....	161	156	163	227	189	202	209	209	267	340
553. Labor standards and training.....	12	11	13	15	17	18	17	17	17	20
554. Labor information, statistics, and general administration.....	10	7	5	8	9	8	8	7	7	9
555. Defense production activities.....					1	2	2			
556. Military manpower selection.....	30	8	17	9	27	32	33	30	29	29
Total, labor and manpower.....	224	190	211	271	254	275	281	277	332	410
Total, commerce and manpower.....	1,314	1,594	2,252	2,401	2,729	3,127	2,983	1,577	2,550	2,186
General government:										
601. Legislative functions.....	28	32	34	39	40	42	48	45	51	63
602. Judicial functions.....	16	18	19	25	28	28	27	29	33	34
603. Executive direction and management.....	7	7	9	10	17	14	11	11	13	11
604. Federal financial management.....	415	416	378	390	413	438	442	449	437	450
605. Other central services.....	524	399	194	161	194	256	215	182	193	199
606. Retirement for Federal civilian employees.....	224	247	228	308	308	313	324	34	32	218
607. Unemployment compensation for Federal civilian employees.....									33	40
608. Protective services and alien control.....	77	87	93	98	115	164	133	146	147	160
609. Territories and possessions, and the District of Columbia.....	12	20	21	22	22	50	55	53	72	79
610. Other general government.....	50	43	94	121	173	131	185	260	211	311
Total, general government.....	1,353	1,270	1,070	1,173	1,309	1,437	1,439	1,209	1,222	1,566
Interest:										
651. Interest on the public debt.....	4,958	5,188	5,352	5,720	5,615	5,853	6,504	6,382	6,475	6,300
652. Interest on refunds of receipts.....	50	57	87	93	93	76	75	83	78	73
653. Interest on uninvested trust funds.....	5	4	6	4	6	5	5	5	5	5
Total, interest.....	5,012	5,248	5,445	5,817	5,714	5,934	6,583	6,470	6,558	6,378
Reserves for proposed legislation and contingencies:										
Net cost of classified pay increase.....										125
Other.....									100	200
Total.....	38,728	33,457	39,235	39,276	44,763	66,265	74,274	67,772	63,504	62,408
Adjustment to daily Treasury statement basis.....	+305	-388	+272	+330	-705	-855				
Total budget expenditures.....	39,033	33,069	39,507	39,606	44,058	65,410	74,274	67,772	63,504	62,408
Budget surplus (+) or deficit (-).....	+754	+8,419	-1,811	-3,111	+3,510	-4,017	-9,449	-3,117	-4,504	-2,408
MEMORANDUM										
Capital transfers from expenditure to receipt accounts.....	\$210	\$263	\$802	\$276	\$208	\$268	\$265	² \$364	² \$586	² \$351
Refunds of receipts (excluding interest).....	3,006	2,272	2,838	2,160	2,107	2,302	3,120	3,377	3,331	3,205
Investments of Government-owned corporations and enterprises in United States securities.....				11	104	101	79	² a 77	² 145	² 72

¹ Deduct, excess of repayments and collections over expenditures.

² Expenditures are net of receipts of public enterprise funds. For 1949 and prior years, expenditures include investment in United States securities.

³ See special analysis J for detail.

*Changes in the functional classification from the 1955 budget to the 1956 budget***A. Regrouping and retitling of major functions**

Classification used in the 1955 budget	Classification used in the 1956 budget	Description of change
National security	Major national security	Retitled.
Housing and community development Transportation and communication Finance, commerce, and industry Labor and manpower	Commerce and manpower	Former major functions regrouped as secondary classifications under a new major function.
Social security, welfare, and health Education and general research	Welfare, health, and education	Former major functions regrouped as secondary classifications under a new major function.

B. Changes in categories within major functions

National security:	Major national security:	
056. Mutual military program.....	058. Military assistance.....	{ Mutual security appropriations for military assistance and direct forces support are now shown in separate subfunctions. Renumbered.
057. Development and control of atomic energy.	059. Direct forces support.....	
058. Strategic and critical materials.....	056. Development and control of atomic energy.	
	057. Strategic and critical materials.....	
Social security, welfare, and health:		
208. Defense community facilities and services.	—	Discontinued. Items formerly in this category are now included in 254 "Provision of community facilities."
Housing and community development:	Commerce and manpower: Housing and community development:	
257. Defense housing, community facilities, and services.	—	Discontinued. Items formerly in this category are now included in 251 "Public housing programs."
258. Disaster insurance, loans, and relief....	258. Disaster loans and relief.....	Retitled.



